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SIXTEEN PAGES — ONE RIYAL

Baghdad promised French cooperation

PARIS, Jan. 12 (Agencies)—Iraqi Vice-President Taha Ma'ruf al-Ma'ruf left here Friday for home after a three-day official visit to France.

Ma'ruf met President Valéry Giscard d'Estaing and they agreed to step up political, economic and industrial cooperation.

Iraq is to export more oil to France in exchange for French technology and industrial plants, the French government said Thursday.

Ma'ruf was also assured that France was ready to help Iraq build up its armed forces, already equipped with French planes, tanks and missiles.

Giscard told Ma'ruf after talks at the Elysee Palace that France and Iraq were closer to each other as a result of the discussions, and trade cooperation was "greatly enhanced."

French officials said France's purchases of Iraqi oil would increase this year from a 1978 total of 20 million tons. In another energy project, France was ready to build a 600-megawatt nuclear power plant in Iraq.

Ma'ruf was assured by Prime Minister Raymond Barre, with whom he also held talks, that France was ready to help his country build up its defenses, the officials said.

The Iraqi armed forces are already equipped with French Mirage F-1 fighter-bombers, helicopters and AMX-30 tanks, as well as a whole range of missiles.

Giscard said after the talks Thursday that lasting peace in the Middle East would be built

on the unity of the Arab world, not on the division within it. "That is why France advocates a global settlement associating all parties concerned, including representatives of the Palestinian people," he said.

Ma'ruf, who visited French nuclear reactor manufacturing installations, said Iraq wanted France to take a large share in his country's economic development program.

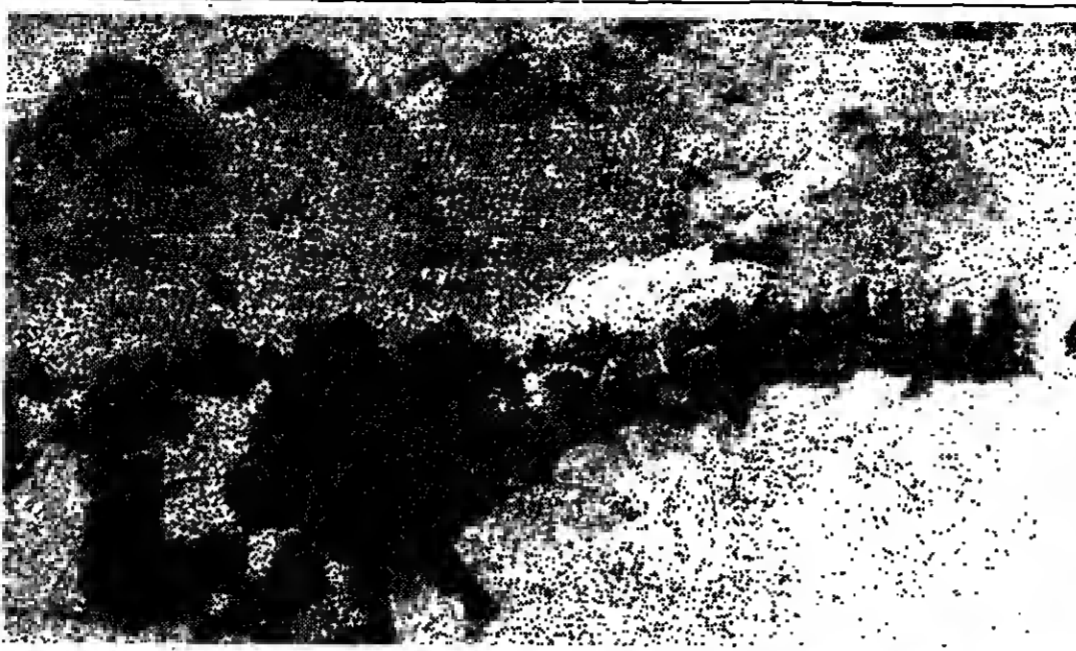
The Iraqis have already bought a French experimental nuclear reactor known as "Osirak" which is scheduled to go into operation in the next two to three years. Recently the two countries signed a nuclear technical cooperation agreement.

French Foreign Trade Minister Jean-François Deniau, who had lengthy talks with Iraqi Commerce Minister Hassan Ali, a member of the ruling Revolutionary Command Council, will visit Baghdad at the end of next month for further meetings.

Projects under discussion include the construction of oil refineries and gas liquefaction plants in Iraq, road building and a chain of hotels, officials said.

Barre has accepted an invitation to visit Baghdad, a joint communiqué said at the end of the talks. The exact date will be arranged through diplomatic channels.

Ma'ruf's visit here ended a cool chapter in Franco-Iraqi relations following a shooting incident outside the Iraqi embassy in Paris last July, in which a French policeman and an Iraqi security agent were killed.



PEACEFUL OUTING: Hundreds of Iranians sought a peaceful Friday by taking cable cars to the summit of the Alborz mountain, north of Tehran, for a day of sunshine and snow away from the continuing violence in the country. (Wirephoto)

Pol Pot hackers flee

Viets mopping up in Cambodia

BANGKOK, Thailand, Jan. 12 (Agencies)—Vietnamese forces were reported hammering the last three major areas of resistance inside Cambodia while almost 400 Cambodians—suspected to be defeated soldiers or officials—fled into Thailand Friday.

Thai border authorities feared an influx of refugees across their porous 800-kilometer border as Vietnamese armor and infantry completed a brilliant three-week dash across Cambodia by mopping up remnants of the fallen government.

Political observers in Bangkok were convinced that a pro-Hanoi Cambodian front which now sits in Phnom Penh did very little of the fighting.

In Hanoi Thursday, Cambodia's provisional government admitted for the first time that there was large scale Vietnamese involvement in the fighting which led to the downfall of the Pol Pot regime.

However, Ros Samay, the secretary-general of the Cambodian National United Front, insisted that Cambodia started the latest fighting, and he did not admit that any Vietnamese units had swept into Cambodia.

The Pol Pot regime, following had advice from the Chinese, dispatched 19 main force divisions to launch a large-scale offensive into Vietnamese territory, Ros Samay said.

He said that the three best divisions were rushed into Vietnam's Tay Ninh province Dec. 23. The front decided that the Vietnamese should be left to annihilate these forces,

Ros Samay said, while the front's forces struck inside Cambodia, aided by a popular uprising throughout the country.

"Things happened exactly according to our prediction and by Jan. 7, 1979 the revolutionary red flag with five golden towers triumphantly was flapping over Phnom Penh," he said.

Ros Samay's account, which was reported by the Vietnamese news agency, differed from the previous "official version" of how Cambodia fell in less than three weeks.

In Bangkok sources closely

following developments in Cambodia said Friday that three key areas of northwestern Cambodia—Siem Reap, Battambang and Sisophon—were either under attack or had fallen. Thai intelligence sources said earlier that Sisophon, a key road junction town, had been captured and that Vietnamese tanks were on Highway 6 about 50 kilometers from the Thai border.

It was not certain whether Siem Reap had been bypassed or taken, or whether the ancient temples of Angkor, had fallen into Vietnamese hands.

The Dutch contingent will fill the gap created by the withdrawal of Iranian as well as some French troops, Wiegel added.

In another development three Fijian soldiers were wounded in southern Lebanon in a fire-fight between soldiers of the U.N. Interim Force in Lebanon (UNIFIL) and Palestinian-leftist gunmen, southern residents reported Friday.

The three were later helicoptered to UNIFIL's hospital in Naqoura on the Lebanese-Israeli border, the reports said.

In a separate incident, a

(Continued on back page)

Dutch troops to join U.N. force in Lebanon

THE HAGUE, Jan. 12 (Agencies)—The government announced Friday that it will send a contingent of about 700 troops as part of the United Nations peacekeeping force in Lebanon.

Deputy Premier Hans Wiegel said the decision to send the battalion of armored infantry followed a request by U.N. Secretary-General Kurt Waldheim. The first troops will leave in about six weeks, Wiegel said.

The Dutch contingent will fill the gap created by the withdrawal of Iranian as well as some French troops, Wiegel added.

In another development three Fijian soldiers were wounded in southern Lebanon in a fire-fight between soldiers of the U.N. Interim Force in Lebanon (UNIFIL) and Palestinian-leftist gunmen, southern residents reported Friday.

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In a separate incident, a

(Continued on back page)

Widening strikes threaten U.K. with food shortages, lay-offs

LONDON, Jan. 12 (R)—Another trade union threw its weight behind striking lorry drivers Friday as snow-caked Britain dug in for a spell of industrial chaos and shortages.

A 24-hour stoppage by many British Airways pilots and a threatened national rail strike deepened the gloom of Britain's winter of worker discontent.

In Northern Ireland, where petrol stations have dried up, a state of emergency was in force. On the mainland eight regional trouble-shooting committees swung into action to counter the effects of strikes.

Supply lines have already been wrecked by a week-old unofficial stoppage by some 50,000 lorry drivers. Thursday night the drivers' main union, the Transport and General Workers' Union, defied government appeals and gave the strike official backing.

Friday, the smaller United Road Transport Union followed suit and ordered their 35,000 members to take action.

With more than 100,000 drivers on strike, industrialists predicted that upwards of one million workers could be laid off by the end of next week.

Striking shipmen from 52,010 Thursday night to \$1,985 and there was worse economic news

for Prime Minister James Callaghan. The annual inflation rate rose from 8.1 to 8.4 per cent during December, according to official figures.

The announcement reinforced Chancellor of the Exchequer Denis Healey's warning that Britain was "moving towards the precipice" if unions continued to push big pay claims.

Callaghan has built his reputation on counter-inflation policy but his attempt to put a five percent limit on pay rises this year has been rebuffed by the unions.

The lorry drivers are demanding a 22 percent increase in

give them a basic weekly wage of 65 sterling (\$130). Train drivers are pressing for a 10 percent — seven sterling (\$14) — "responsibility bonus."

The train drivers threatened a national rail strike next Tuesday and Thursday if they do not succeed. Negotiations with management continued Friday.

Later train drivers leader Ray Buckton said that no progress had been made in the negotiations and there appeared to be no alternative to a strike.

Empty spaces have already

(Continued on back page)

AFP says

Khomeini planning to return to Iran

PARIS, Jan. 12 (Agencies)—Ayatollah Khomeini, spiritual leader of the Iranian uprising, may return to Iran as soon as the Shah departs on vacation, the French news agency said Friday, quoting sources in Khomeini's entourage.

Khomeini's spokesmen declined to comment.

According to Agence France Presse, the source said the 78-year-old Khomeini was "optimistic about this chance of returning to Iran in the coming days."

Earlier in the day, senior political sources in Tehran said a regency council of elder statesmen is expected to be formed in Iran in the next few days to stand in for the Shah if he leaves the country to defuse the revolt against him.

The council, expected to comprise eight public figures, will act as head of state "as long as the embattled monarch is out of the country."

The Shah has said he wants to take a holiday.

Though palace officials have continued to deny that there are any plans for his early departure, he is widely expected to leave next week, provided the new social democrat Prime Minister Dr. Shapur Bakhtiar receives a vote of confidence in parliament.

This is not likely to be completed until Monday at the earliest.

Political sources said that over the past two weeks, the possible composition of a regency council had been under active discussion in palace and official circles.

In the past, even when the Shah was abroad on state visits, he superintended state affairs himself though a regency council was formed in case of necessity.

The main aim of his winter holiday — if he finally decides to go — will be to give Dr. Bakhtiar time to pursue a political solution to the year long crisis and, ultimately, to preserve Iran's monarchy and the Shah's reign.

With some of his opponents demanding an Islamic republic

in Iran and an end to the Pahlavi Dynasty and the monarchy itself, the Shah has already agreed to "reign, not rule."

His absence, which could last a month or more, may determine whether he is even allowed to reign.

The council is expected to be a careful blend of the political forces at work in the current Iranian turmoil — the government, the armed forces, the parliament, the judiciary, the opposition and possibly, the religious elders.

Bakhtiar himself is expected

to be a member, as are the speakers of the two houses of parliament and the chief justice of the supreme court.

These are the four statutory members provided for in the constitution.

Public interest is centered in these four members, and there is speculation that an extra seat on the council may be created to accommodate all the interest groups involved.

Though councils formed during the Shah's absence us-

(Continued on back page)

Vance cites obstacles to resumption of talks

WASHINGTON, Jan. 12 (Agencies)—The United States wants Israel and Egypt to clear up differences over interpretation of their draft peace treaty before resuming full-scale ministerial talks, Secretary of State Cyrus Vance said Thursday.

Vance told a press conference that all parties agreed on reopening the treaty talks, but he would not predict a resumption date or location.

"The important thing is to have it (a meeting) and to make progress," he said.

"We are taking our time and exploring the best way to try and deal with some of the more minor problems before we proceed to sit down together to try and thrash out the more difficult issues," he added.

He said the United States was considering holding further talks at the ambassadorial level in Israel and Egypt.

A senior aide said the minor problems to which Vance had referred centered on Articles Four and Six of the draft treaty, worked out in Washing-

ton negotiations late last year.

With these out of the way, Vance would call the parties together to discuss the central political issue — a timetable under which Israel would grant Palestinian self-rule.

Egyptian insistence and Israeli refusal to consider a timetable, which would be written into side-letters attached to the treaty, deadlocked the talks last month. Egypt then demanded clarification of the two articles.

In Article Four, which deals with security arrangements, Egypt wanted Israel to agree, in a separate, clarifying letter, that the treaty text would allow for a review upon request by either party.

In Article Six, which relates the accord to other treaty obligations, Egypt wanted assurance that the bilateral accord would not supersede its mutual defense obligations to other Arab countries.

Israeli officials said Israel had signalled a compromise could be reached on Article Four.

(Continued on back page)

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German minister arrives today

By a Staff Reporter
JEDDAH, Jan. 12—West German Minister of Economic Cooperation Rainer Offergeld arrives here Saturday to discuss the long-standing program of German assistance to secondary vocational training in Saudi Arabia.

German Ambassador Reinhard Schlagerweit said Friday evening that Offergeld will meet Education Minister Dr. Abdul Aziz Al-Khurweiti during his short visit. He will also hold talks with Finance Minister Sheikh Muhammad Aha Al-Khail and Planning Minister Sheikh Hisham Nazer on "various aspects of the North-South Dialogue"—a debate attempting to bridge the economic gulf between the industrial and developing world.

The Finance and Planning Ministry talks will also cover general economic cooperation. There is nothing specific on the agenda, the ambassador said.

The major purpose of the visit is to review German provision of trainers for Saudi vocational training under an agreement signed in the 1960s. The program is funded by the Saudi government.



WATER, WATER EVERYWHERE: A mature garden in Riyadh, where only desert existed before, is proof of the growing water supplies in the country.

In 5 years

SR13m invested in public libraries

RIYADH, Jan. 12 (SPA) — More than 645,000 volumes are available to the public in 41 libraries in Saudi Arabia, according to the Ministry of Education Public Libraries Department.

During the past 5 years, the department has provided books, periodicals and other documents worth SR10 million and furniture and equipment worth SR3 million. It has also micro-filmed about 500 valuable manuscripts in various Saudi collections and libraries. The department has 431 manuscripts of historical and cultural interest of its own.

In the Second Five-Year Development Plan, 15 new libraries were to be built including one in Riyadh in addition to the national collection, Dar Al-Kutub.

An average of 3,500 persons read in Dar Al-Kutub last year, with other libraries reporting between 500 and 1,500 readers depending on location.

Libraries are open from 7 a.m. to 12 noon and from 4 p.m. to 9 p.m. Dar Al-Kutub

2 hospitals set for E. Province

AL-HASA, Jan. 12 (SPA) — A new chest clinic and mental hospital, comprising 350 beds, will be built in the Eastern Province as part of a plan to extend health care here, Dr. Hamad Redwan, director of King Faisal Specialist Hospital told "Al-Riyadh" Thursday.

is open from 7 a.m. to 12.30 p.m. and from 4 p.m. to 11 p.m.

Aden subversion said to hamper Sanaa progress

JEDDAH, Jan. 12—The present regime in South Yemen is bent on subverting its northern neighbor, North Yemen's Foreign Minister Abdul-lab Al-Asmag told "Okaz" newspaper Thursday during a brief stopover here on his return from Kuwait.

North Yemen, he said, had to face continuous intrigue from the Marxist government in Aden which was hampering North Yemeni development.

"Communism must be resisted to preserve South Arabia's character, religion and tradition," he said.

Cheap water: the greening of Arabia

By Elias Haddad
JEDDAH, Jan. 12—Thanks to an already plentiful supply of what may be the cheapest public water in the world, Jeddah and Riyadh are becoming steadily greener.

Older people here insist that 40 years ago, Jeddah had only one green tree within the walls, which acted as a landmark for travellers.

Today, miles of streets 60-meters wide are planted with vegetation and trees.

Cost

The cost of producing fresh drinking water from the sea is estimated at about \$7.5 per cubic meter (250 gallons).

But city dwellers would be surprised to read that municipal water costs money. "By God, I haven't paid a single piaster for water since the mains were hooked up to my house two years ago," said a Jeddah resident who is father of 10 children.

Another resident said, "My bill was four riyals (\$1.2) for the past two years."

Officially water does have a price. New subscribers have to pay a basic charge of 120 riyals (\$26). Thereafter the annual bill does not exceed one or two dollars—and even that is rarely collected.

Coolers

Like other basic services, including electricity and petrol, water is subsidized by the government. Many prosperous Saudis have water coolers outside their homes so that passers-by can drink free.

Those who do not have a supply of running water laid on to their houses are the unlucky ones. They have to buy water tanker and the cost for a householder who does that may soar to \$30 a month.

The residents without running water usually live in newly developed areas where the municipal utilities have not yet caught up with the city's expansion.

Though water is abundant, shortages occur either because of haphazard road digging or because the pilgrims who converge on Mecca and Jeddah during and immediately before Eid Al-Adha place a heavy drain on the water supply.

Riyadh, is projected to consume six times the quantity of drinking water it uses now. The capital's increasing population will require 300 million gallons a day by 1985, compared with the present 48 million, according to official figures.

Of this, 173 million gallons will be pumped daily from the Gulf while the rest will be produced by developing subterranean waters.

Saudi Arabia also spends some \$7.5 million a year on importing natural and mineral waters from Lebanon, France, Syria, the Gulf, Britain, Algeria and Taiwan.

Necessity

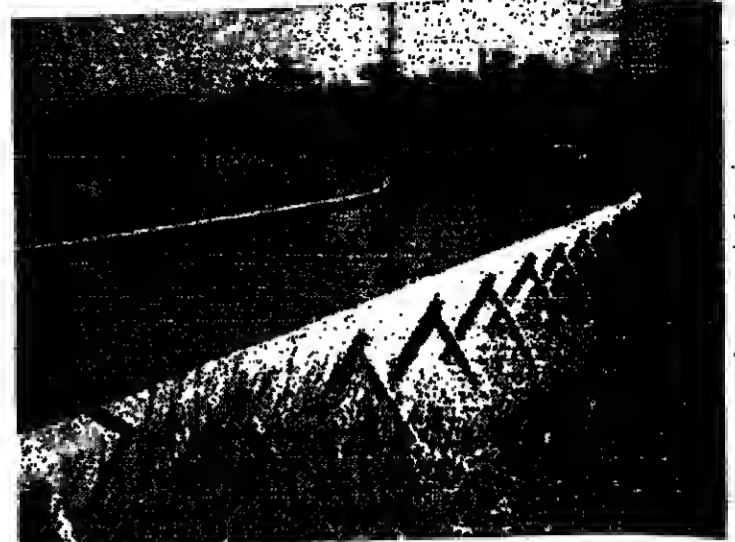
To many Western and Arab expatriates, bottled water is not a luxury but a necessity. The price of a large 12-bottle car too ranges between six and seven dollars.

Under the second Five-Year Development Plan (1975-1980), the total capacity of Saudi Arabia's water desalination plants will exceed 410 million gallons a day.

Seven new desalination units are being installed in Jeddah in addition to the two existing ones. The new plants will together produce 3.5 million gallons of drinking water per day, to bring the overall production of Jeddah's units to 18.5 million gallons per day within a few months.

The Saline Water Conversion Corporation is considering the possibility of supplying Mecca with drinking water through pipes from the Jeddah plants.

Plans are now under way to supply drinking water to all coastal towns and industrial areas.



CANAL: One of the main irrigation canals in the Ham oasis in the Eastern Province.

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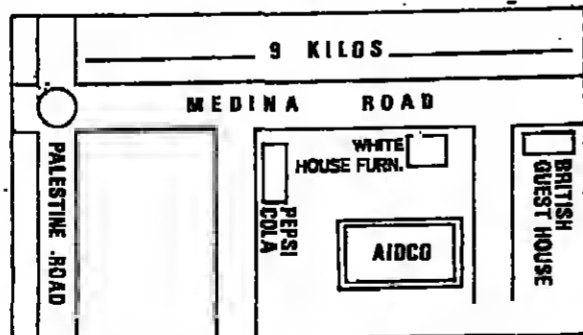
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Western powers to meet on assistance to Turkey

ANKARA, Jan. 12 (R) — The United States, Britain, France and West Germany will arrange a meeting of experts in Bonn next week to organize a multilateral program of economic and financial aid to Turkey, it was announced Friday.

United States Deputy Secretary of State Warren Christopher, who left for Bonn Friday after a 36-hour visit, said he hoped the meeting would only be the beginning of an effort

"to assist Turkey in a very serious short-term problem."

Turkey's troubled economy is in urgent need of foreign credits to tide it over severe difficulties arising from a foreign currency shortage.

Christopher, who brought a message from President Carter to Turkish Premier Bulent Ecevit, confirmed Washington's commitment to participate fully in the assistance program, said the United States was loo-

king forward to cooperating with Turkey in defense as well as economic matters.

A joint press statement released here said the United States would give its "full and active support" to a process of taking steps with other governments toward solving Turkey's economic problems.

But Turkey's hopes for early economic and financial aid seem once again dependent on a satisfactory relationship with the International Monetary Fund (IMF), senior American officials here said.

The Western countries were expecting a development in Ankara's relations with the IMF parallel to their efforts in helping Turkey out of economic crisis, they said.

Turkey signed a \$450 million agreement with the IMF last April to be spread over four years. New negotiations on the release of a third tranche of \$38 million are expected to start soon.

The IMF wants the Turkish government to take certain domestic economic steps before using more of the credit facility.

Christopher was to stop over briefly in Bonn to brief West German leaders on the outcome of his talks here before he goes on to Washington.

West German Chancellor Helmut Schmidt recognized the urgency of Turkey's economic needs by setting an early date for the meeting of financial and economic experts of the four Western countries, Christopher said.

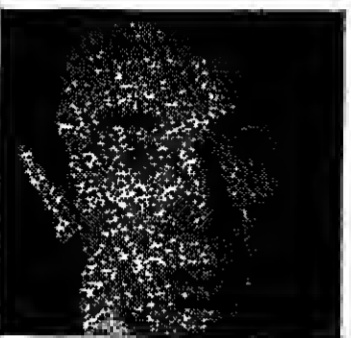
Prisoner swap signed between U.S., Ankara

ANKARA, Jan. 12 (AP) — Turkey and the United States have initiated a prisoner transfer treaty. Nationals will now complete prison terms in their own countries, U.S. officials announced here.

The treaty was signed during the visit here of Deputy Secretary of State Warren Christopher.

Officials said the treaty would be formally signed soon but that enforcement of its provisions would come after its ratification by the U.S. Senate and Turkey's bi-cameral parliament.

No time limit could be given as to when the Turkish parliament would clear the treaty. U.S. officials here said the U.S. Senate will take it up during its next session starting Jan. 15. Standing to benefit from the



Warren Christopher

treaty once ratified are four Americans jailed here on drug smuggling charges. They are: Catherine Zanz, of Lancaster, Wis.; Joan McDaniel, of Coos Bay, Oreg.; Robert Hubbard, of Texas; and Michael Harvey Ray of Arkansas. All are serving 24 year terms.

To Iraq

Canadians to deport Palestinian

MONTREAL, Jan. 12 (R) — A Palestinian detained here in November and declared a security risk will be sent to Iraq as soon as travel arrangements are worked out with Iraqi authorities, it was announced Friday.

Immigration officials have been in a dilemma where to send the man, Mohammad

Abotouba, since he was detained on arrival here from the United States, but it was announced Friday Iraq would accept him.

Last month the Canadian government said it had secret information that Abotouba was a security risk.

Immigration authorities claimed that Abotouba was in Ed-

monton, Alberta, at the same time as Bassem Ferhat, a Lebanese student linked with inquiries into the 1976 murder in Beirut of American Ambassador Francis Meloy.

Ferhat was flown to Lebanon under Canadian police escort last November.

Abotouba was carrying an Egyptian passport when he arrived in Canada.



DON'T MIND IF I DO: A soldier takes a piece of candy from an Iranian woman in Tehran Friday, a scene of unusual normalcy in the troubled capital. (See story page one.) (AP photo)

'In their own interest'

Schmidt expects Iran oil soon

BONN, Jan. 12 (AP) — Chancellor Helmut Schmidt said Friday that it was in the "urgent economic interest" of the Iranian people to resume oil deliveries to the West.

"I don't expect a lasting disruption in oil deliveries but at worst a temporary one," Schmidt said.

"It cannot be in the interest of Iran whatever government is formed there not to deliver any more oil over the long term," he said.

Schmidt said the temporary disruption could be surmounted without difficulty by the major importing countries, which include West Germany, the United States, Japan and France.

"I do not want to judge the internal political situation in Iran," he said, acknowledging that it was possible that the crisis could prove costly to other countries with economic ties to Iran.

He said that Israel and South Africa — which rely on Iran for oil supplies — were particularly vulnerable.

On the subject of China, Schmidt said West Germany

would not sell weapons to Peking but would not criticize others for their arms sales.

"What others may do is not and will not be a subject of specific critical comment by the federal government," he said, in an apparent reference to Britain's proposed sale of 80 Harrier jets to China.

He said West Germany's policy for the past ten years had been to limit arms sales to its NATO allies.

Police arrest 2 Israelis in Amsterdam shoot-out

AMSTERDAM, Jan. 12 (R) — A special team of 10 Dutch policemen Friday captured two Israelis after a gun battle at a house in north Amsterdam in which one of the Israelis was wounded, police said.

Both men escaped two weeks ago from a juvenile prison at Zoigheh, in eastern Holland, where they were serving a sentence for robbery.

Tuesday they disarmed and tied up three policemen trying

to check their identity in an Amsterdam house, police said.

They were identified by police as being Yoran Aberman, 22, and Eliezer Kamel, 20.

Their car was found abandoned Thursday and the two men were traced to the house. But when a special police team surrounded the building they came under fire. Kamel was wounded in the gunfight that followed, but police said his condition was not serious.

Palestinian group ends Iraq visit

BAGHDAD, Jan. 12 (R) — A delegation from the Palestinian Popular Struggle Front (PPSF) led by Dr. Samir Ghoshah, the front's secretary-general, left Baghdad Friday after a three-day visit.

Royal Navy ships visit Israeli port

TEL AVIV, Jan. 12 (AP) — Three ships of the Royal British Navy arrived at Israel's Eilat Port on the Red Sea Friday morning for a four-day visit after participating in Central Treaty Organization (CENTO) exercises in the Indian Ocean.

Turkey Greece in talks on Aegean

VIENNA, Jan. 12 (R) — Greece and Turkey have held a third round of talks on their dispute over the Aegean continental shelf amid cautious optimism about the progress of the negotiations. Both countries have rival claims on a continental shelf in the Aegean, which is thought to be rich in offshore oil and minerals. Experts from both sides, holding their seventh round of talks in two years, conferred Thursday at the Turkish embassy.

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Madrid gunmen slay officer on doorstep of home

MADRID, Jan. 12 (Agencies) — Unidentified gunmen killed one policeman and shot at two others Friday in two separate attacks, in new violence in Madrid.

Officer Romero Garcia, de Montejó, 54, was shot dead by two gunmen as he was leaving home for work.

He had two children. The other attack took place in a Madrid suburb where two policemen on foot patrol were fired on from a passing car. They were unhurt, and returned the fire, police sources said. They may have hit one of their attackers because bloodstains were found in their abandoned car near the scene

of the attack, the sources added.

The motive for the attacks was not known.

Montejó was the eighth terrorist victim this year.

He was killed with sawed-off shotguns.

The killing came only a few hours after Premier Adolfo Suarez and his cabinet met to discuss ways of trying to stem a wave of terrorism ahead of March 1 general elections.

A government spokesman said the government decided to stick with present police methods. Political violence claimed 99 lives last year and has averaged nearly one death a day this year.

Police said two men hiding on the stairs outside of Montejó's Madrid apartment blasted him to death with shotguns at 6:50 a.m. The policeman's wife heard the shots and saw two men speed away in a white car, police said.

Snags seen on Namibia U.N. force

UNITED NATIONS, Jan. 12 (AP) — Martti Ahtisaari of Finland, U.N. special representative for Namibia, about to leave on a new mission to that South-African-run territory, has said the number of troops in a U.N. transition assistance group to supervise a pre-independence election there would be governed by Secretary-General Kurt Waldheim's figures.

The remark raised the possibility of continuing trouble with South Africa over how many troops were needed.

Argentine diplomat found murdered after abduction

BUENOS AIRES, Jan. 12 (AP) — The body of Elena Holmberg, an Argentine diplomat kidnapped three weeks ago, has been found in the Luan River about 40 kilometers north of here, police reported Thursday night.

They said an autopsy showed

ed Miss Holmberg, 47, died by drowning. Her body was taken to the Foreign Ministry headquarters for a midnight wake.

Her father said three armed men stopped her car near downtown Buenos Aires in daylight Dec. 20 and forced her into a light blue Chevrolet.



VIOLENCE: Rightists burn the Basque flag in Madrid protest last week. Friday, terrorists claimed their eighth victim of 1979 with the assassination of a police officer in the capital.—(UPI photo)

Soviet carrier potential growing with new ships

WASHINGTON, Jan. 12 (AP) — The Russian Navy is firing out its third large aircraft carrier and has deployed a big, new support ship that may enable Soviet carriers to remain at sea for extended periods, American government sources report.

They say a new carrier, of the 40,000-ton Kiev class, is "in the water and well along" toward readiness to join the Soviet fleet as early as next year.

The carrier was built in the same Black Sea shipyards as its sister vessel, the Kiev and the Minsk, which have been described as among the most heavily armed warships in the world.

"It wouldn't surprise us to see a fourth ship of that class," said one source, who asked to remain anonymous. He suggested the Russians would probably build even bigger carriers in the future.

The Kiev entered the Mediterranean in late December. The Minsk remains in the

Black Sea, but analysts believe the Minsk will eventually be sent into the Pacific. They note that the Russians in the last few months acquired a huge drydock for their base at Vladivostok — a facility they say is much bigger than needed for any present ship in the Soviet Pacific Fleet.

Of particular interest, sources said, is a new type of replenishment ship which left the Black Sea for the Mediterranean only a few days after the Kiev.

This ship, which is said to be equipped to service the kind of planes and helicopters based on the Kiev, is about 200 meters long and displaces between 35,000 tons.

Although the Kiev and the support ship, the Berezina, have not exercised together, experts said they believe that the Berezina will probably be used as a support base for the carrier and will allow the Kiev to remain away from land bases for long periods.

Greenlanders to trek to home rule election

GODTHAAB, Greenland, Jan. 12 (AP) — By dogsled, snowmobile, taxi and motorbike, Greenlanders will flock to the polls next Wednesday to cast their votes in a referendum offering them the rule of the 840,000 square miles of arctic ice and rock they call home.

They are expected to support the introduction on May 1 of home rule for the 50,000 people spread thinly along the

Soviets save 3,000 from floating ice

MOSCOW, Jan. 12 (AP) — Nearly 3,000 winter fishermen and a horse trapped on ice floes because of a sudden January thaw were plucked to safety near Vladivostok by 20 Soviet ships and four aircraft, the newspaper "Komsomolskaya Pravda" reported Friday.

It was the largest such mission ever carried out by the regional rescuing service, the story said.

The newspaper said no casualties were reported.

The two-day crisis last week ended cost the state almost 70,000 rubles or \$105,000 — all because some "over ardent" sportsmen wanted fresh fish in January, the newspaper complained.

The trouble started, the journal said, when last Saturday's excellent weather sent thousands of fishermen out on the ice to fish.

Suddenly, the tide began to rise in the afternoon and the thinning ice broke. By 3 p.m. a light morning wind had turned into a southeasterly gale. In 15 minutes, the newspaper reported, the biggest chunk of ice had moved more than 300-400 meters.

coasts of the world's largest island. The Danish parliament adopted the requisite legislation last November, and now the referendum is expected to seal the end to 250 years of more or less colonial rule from Copenhagen.

Greenlandic leaders pronounced it a historic day, probably the most important day in their history. They appealed to the chauvinism of a people who, although few pure-blood Eskimos are left, take a tremendous pride in being inuits — natives of Kaladit Nunat, "our land."

Yet their yes on referendum day is not expected to be unanimous, and the voter turnout may not be very high.

For there is lingering uncertainty about what home rule actually means. There are nagging doubts as to whether Greenlanders are ready and equipped to do the job. Some suspect that the Danes are conveniently ridding themselves of responsibility at a time when problems are deeper and more complex than ever.

Most Greenlandic leaders harbor secret doubts about the ability of Greenlanders to run the welfare community they will gradually take over if the various phases of home rule take effect over the next decade.

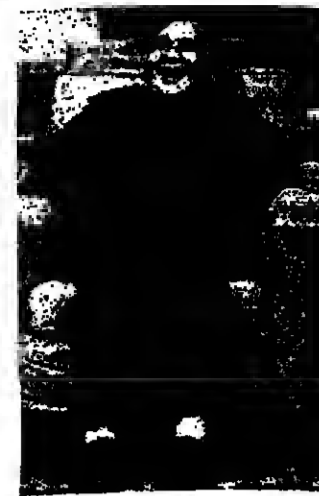
Denmark's Hans Egede landed in Greenland in 1725 to name and colonize the island. Greenland remained a colony until 1953 when a constitutional amendment made it an integral part of the Kingdom of Denmark.

Denmark had rejected a proposal by U.S. Secretary of State James F. Byrnes who in 1948 offered to buy Greenland for an unspecified amount to settle the question of continued U.S. military presence on the island following World War II.

But Greenland was not for sale.



Cyrus Vance



Teng Hsiao-ping

Vance to ask Teng about human rights

WASHINGTON, Jan. 12 (R)—U.S. Secretary of State Cyrus Vance has said he will raise the question of human rights violations in China when Vice Premier Teng Hsiao-ping visits Washington this month.

He made the announcement at a news conference Thursday despite an advance signal from Teng that he does not want to discuss the issue.

Teng's visit follows normalization of diplomatic relations between the two countries 11 days ago and is the first to the U.S. by a Chinese Communist leader.

The U.S. official said that observance of human rights around the world was an integral part of U.S. foreign policy and that it would be broached with Teng.

"We will be reviewing our entire views with respect to international problems," Vance said. "We will be restating our position and our views with respect to human rights in that connection."

Teng is expected to sign scientific and technical agreements during his week-long visit.

Vance said that the United States intended to balance its foreign policy evenly between the Soviet Union and China. "There will be no tilt one way or the other," he said.

Vance said he believed the new relations with China would contribute to stability in Asia, possibly in such areas as the Korean peninsula, where China has long backed the communist north against the United States southern ally.

Turning to the recent overthrow of the government in Cambodia by insurgent and Vietnamese forces, Vance called for the withdrawal of what he described as the invading forces.

"We have made very clear that the invasion of Cambodia threatens regional peace and stability," he said.

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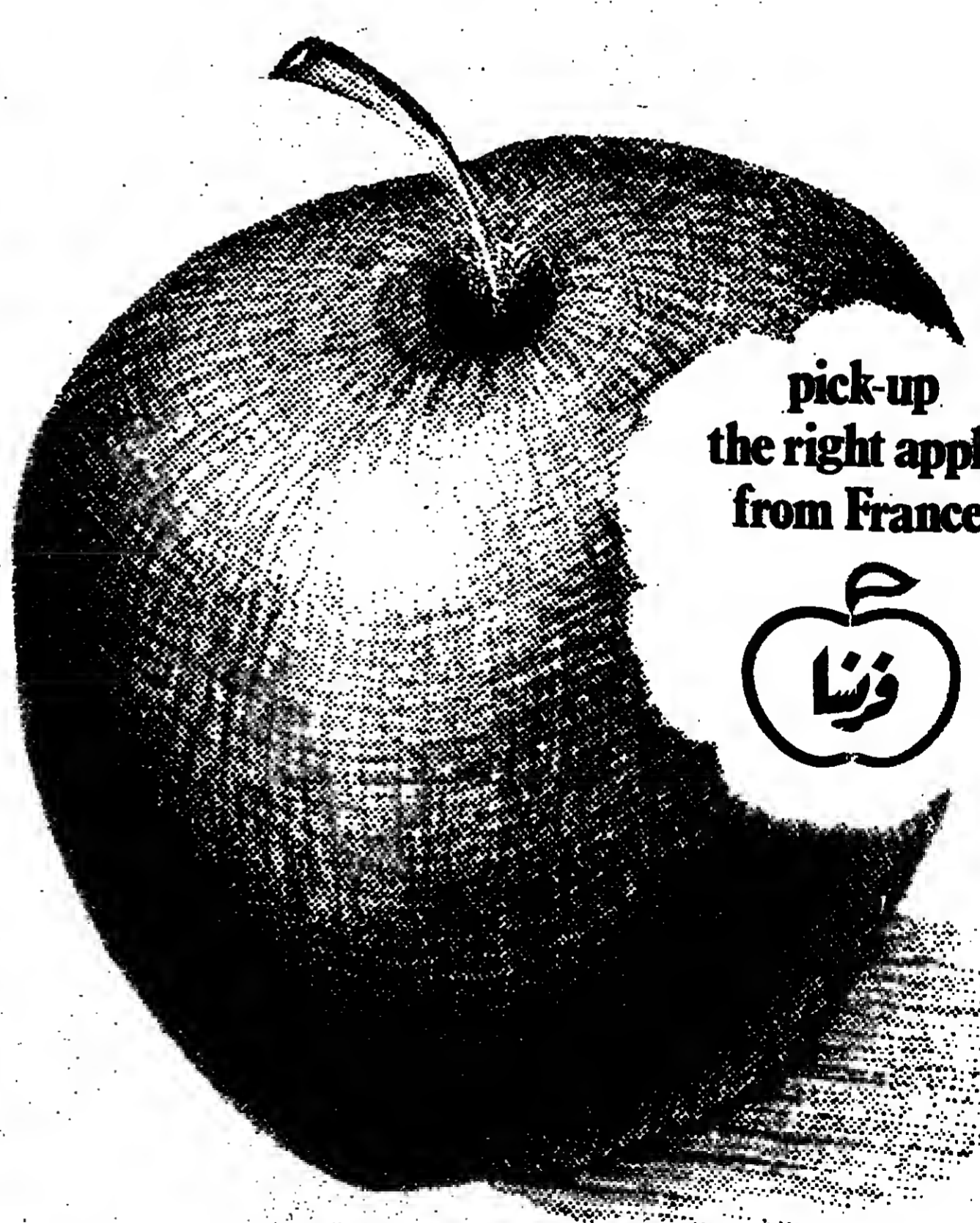
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Retrial ordered for Maryland state governor

RICHMOND, V.A. Jan. 12 (AP)—Suspended Maryland Governor Marvin Mandel's conviction for racketeering and mail fraud has been overturned by an appeals court which ordered a new trial for Mandel and his five co-defendants. It was not immediately clear whether Mandel, convicted in August 1977, would return as governor. While his conviction was being appealed, Lt. Gov. Blair Lee served as acting governor. Mandel's term ends Wednesday, when Harry Hughes, elected governor Nov. 7, takes over.

The appeals court's order was based largely on what it called technical errors in the trial in a Baltimore federal court. It said the jury was not properly instructed about bribery law in connection with the mail fraud charges. The failure, the court said, "leads us to the conclusion that the jury may easily have been misled."

Mandel and his co-defendants appealed on the basis that there was not sufficient evidence to find them guilty. The trial jury found that the

defendants were involved in a scheme in which Mandel received gifts and favors in return for trying to get the 1972 Maryland General Assembly to approve a bill that would have benefited the other defendants' secret holdings in the Marlboro Race Track.

Letelier case legality questioned

WASHINGTON, Jan. 12 (AP)—The defense has begun a drive to have important evidence thrown out in the trial of three Cuban exiles charged with complicity in the assassination of former Chilean diplomat Orlando Letelier.

Defense attorneys tried to show at a pre-trial hearing that the FBI illegally seized materials that the government says were used in the remote control bomb that killed Letelier. They came from an apartment that the government says was rented by one of the defendants, Alvin Ross Diaz.

U.S. District Judge Barrington Parker is conducting the hearing while continuing to interview prospective jurors in the case. No jurors have been seated despite three days of questioning by the judge.



Harold Brown

Evidence challenged

The only witness at the bearing was Luis Vega, superintendent of a Union City, New Jersey, building where, according to the government, Ross rented an apartment for use as a business office.

U.S. urged to bring back draft

WASHINGTON, Jan. 12 (AP)—Army Secretary Clifford Alexander Thursday night recommended the revival of peacetime draft registration so the nation would be ready to mobilize quickly in a war.

The proposal, in speech prepared for the Phoenix, Arizona, Urban League, was the latest evidence of growing sentiment in the Defense Department for such a precautionary step because of serious weaknesses in

the readiness of the army, national guard and reserve.

Defense Secretary Harold Brown has not yet taken a public position on the question of reviving the peacetime draft registration. His manpower aides have the matter under study.

In his speech, Alexander said, "I think we need a better system than the one we now have for making the transition from our peacetime volunteer force to a wartime force based on conscription," Alexander said.

He added that "a useful step in that direction would be to provide for the peacetime registration of young people."

Alexander's use of the term "young people" raised the question whether he might be including women, who have never been drafted.

When senior defense officials were asked whether drafting women was under consideration, they indicated that they are currently thinking of registering men, but did not rule out the possibility of including women.

Richard Danzig, principal deputy assistant secretary of defense for manpower, said, "There is not now a proposal before the department of defense to register or draft women."

"Such proposals as have been suggested speak only of the peacetime registration of men," Danzig added.

"The question of registering or drafting women would become salient only if the department first decided to register men, which it has not done."

Carter views pardoning Puerto Rican terrorists

WASHINGTON, Jan. 12 (AP)—President Carter is considering pardoning a Puerto Rican nationalist who attacked the late President Harry Truman's guards and three who wounded five congressmen in a hail of gunfire in 1954, the Justice Department says.

An official said Atty. Gen. Griffin Bell delivered a recommendation to Carter but refused to say whether the proposal was to pardon the four or not.

They include Oscar Collazo, the sole survivor of an attack in 1950 on White House police guarding Truman at Blair House.

The other three are Lolita Lebron, Rafael Cancel Miranda and Irving Flores who are serving sentences of 25 to 75 years for firing at congressmen on the house floor at 2:32 p.m. March 1, 1954.

Five congressmen were wounded but none was killed.

John Wayne to undergo surgery

LOS ANGELES, Jan. 12 (AP)—John Wayne, the battling giant of Hollywood who has fought off cancer and an ailing heart has a new adversary, his gall bladder. The veteran of Westerns and war movies — known to fans as "The Duke" — checked into UCLA Medical Center on Wednesday for gall bladder surgery, his film company said.

Wayne reportedly has had a gall bladder problem for some time. The hospital described his condition as good Thursday, after preliminary tests.

Soviets see White House at end of Haig's career

MOSCOW, Jan. 12 (AP)—General Alexander Haig is resigning as supreme allied commander because he hopes to jump from a "high post" in industry to the White House, the Soviet magazine "New Times" said Friday.

In an article headlined "How Good to be a General," the magazine suggested that Haig might be stepping down from his NATO post because of a policy dispute with President Carter.

"Maybe the general is resigning because he was offended. He recently complained to President Carter because he does not consult with him about the SALT talks," "New Times" claimed. "He was also offended, for example, by the fact that the White House was slow with deployment of the neutron bomb."

The journal, which is distributed overseas, claimed he was "very active" among political hawks "in blowing up the myth of the Soviet menace." It was the first public comment by the Soviet press on Haig's Jan. 3 announcement that he would step down.



Alexander Haig

New York finds Legionnaires' Disease bacteria

NEW YORK, Jan. 12 (AP)—Bacteria associated with Legionnaires' Disease have been found in water samples taken from an air conditioning tower on top of Macy's department store, the city Health Department says.

Officials said Thursday the discovery does not necessarily explain the outbreak of the disease that claimed two lives here last summer.

Own bomb kills terrorist suspect

COPENHAGEN, Jan. 12 (AP)—A young man presumed to be a terrorist was blown by his own bomb in downtown Copenhagen early Friday, police said. The man, who police said was about 20, was presumed to be Italian because of papers found on his body. However, 12 hours after the incident, police said they had not yet identified the victim.

Fortune offered to man on the run

MELBOURNE, Australia, Jan. 12 (AP)—Fifty-four year-old Australian James Bazley has been left a small fortune, but it may not be worth his while to collect it. Bazley is number one man on the Victoria, Australia, police "top ten" wanted list. He has been on the run since July, 1975 after skipping bail. He is wanted on charges of robbery, aggravated burglary, wounding and motor car theft.

No injuries in Guatemala quake

GUATEMALA CITY, Jan. 12 (R)—An earthquake rocked large areas of Guatemala Thursday night but first reports made no mention of casualties or damage. The U.S. Geological Survey in Golden, Colorado, monitored the quake and said it registered 5.5 on the Richter scale, strong enough to cause damage to buildings.

'State of Union' set for Jan. 23

WASHINGTON, Jan. 12 (R)—President Carter will deliver his annual State of the Union speech on Jan. 23, the White House has announced. The message to Congress and the nation summarizes U.S. accomplishments and challenges, and signals the direction of administration policy for the months ahead.

Truck plunge kills 15 U.S. soldiers

BALBTA, Canal Zone, Jan. 12 (AP)—A U.S. Army truck smashed through a bridge guard rail and plunged 80 feet down a bank of the Panama Canal Thursday, killing 15 American soldiers and seriously injuring two others. Officials of the U.S. Southern Command said the 2½-ton truck stopped on the bank and did not go into the canal.

Peru frees 50 Communist detainees

LIMA, Jan. 12 (R)—Fifty Peruvian Communists detained in a raid on party headquarters have been released, party sources said Thursday. State security agents made the arrests Wednesday after bursting into the party's central Lima building believing that an illegal meeting was in progress.

'Hot air' yields farmer cash

LYON, France, Jan. 12 (AP)—A farmer who claimed his cattle were traumatized by a fleet of hot-air balloons flying overhead won 82,052 francs (\$19,306) in damages from a Lyon court Thursday.

Clue on Greek bombers stirs reward

ATHENS, Jan. 12 (R)—The Greek government Thursday offered two rewards of one million drachmas (about \$28,000) for information leading to the arrests of two Greeks believed to be involved in a wave of bomb explosions here last month.

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'NEW IDEAS'

The latest news from Cairo has been a bit puzzling. Sources of the foreign ministry have been quoted as saying that Egypt has offered concessions with regards to the linking of the proposed peace treaty with Israel to self-rule in the West Bank and Gaza Strip and the controversial Article Six. But the same sources, in revealing the "new ideas", have insisted that Egypt will not accept a separate peace with Israel and that it will support the American interpretation of Article Six, which has always been nearer to Egypt than Israel as it rejects the Israeli contention that the article gives the treaty priority over Egypt's Arab commitments.

So are the Egyptian "concessions" real or a gimmick to induce Israel back to the conference table? Only the future will tell. If Egypt does make concessions then separate peace will be concluded. If it does not, the peace treaty will not be signed.

Meanwhile, the Carter administration continues to support peace on the basis of the Camp David formula despite the relapse in Iran whose Shah must have figured highly in the planning of the American strategists. Most administration officials continue to believe that the Camp David agreements will lead to a peace treaty between Egypt and Israel which can later be expanded to include Jordan, the Palestinians and Syria.

A group of leading Arab-Americans has been active for months, trying to persuade the administration that it must alter its thinking and modify the basis of negotiations to make the peace bill more palatable to the other Arabs. These Arab-Americans are in the unique position of being close to the ear of the administration and the heart of the Palestinian resistance movement. The Arab-Americans have won an increasing number of U.S. officials and congressional aides to their side but judging by results, they have failed so far in achieving their goal of changing the official administration line on contacts with the Palestinians.

Admittedly, the Arab-Americans are involved in an uphill struggle and fighting on many fronts at the same time. Their problems are not confined to the Washington administration but also involve the Palestinians themselves and many Arabs whose traditional mistrust in Washington administrations has been compounded by Camp David and its aftermath. There remains a radical Palestinian element which does not see or want an American-sponsored solution. The moderate majority is clearly in favor of a mini-Palestinian state in the West Bank and Gaza Strip but is understandably cautious in making its position official for fear that the Americans would not deliver the goods and leave the moderates in limbo.

But the Arab-American leaders are encouraged and they point out that they have started out with a nearly hopeless cause and now can come many U.S. officials who openly share their views on the approach to peace in the Middle East. The only problem is that the peace talks may be resumed and concluded before the efforts of the Arab-Americans are allowed to bear fruit. Statements from Egypt, Israel and the U.S. in the past couple of days leave no doubt that the talks will be resumed within days.

Default in Pakistan?

By Barry Shlachter

ISLAMABAD —

Government officials said Thursday Pakistan runs the risk of defaulting on large foreign loans if major lending countries like the United States do not ease repayment terms by June.

"Default is a real possibility," said a ranking official of the Finance Ministry's economic affairs division. "We have told donor nations that the situation is critical."

Another official, who also insisted on anonymity, said the South Asian nation has unacceptably small foreign exchange reserves on hand — about \$400 million.

"This is hardly enough to cover five weeks' worth of imports at the current rate," he said.

Sources said the situation is likely to get worse because of the recent oil price hike and a higher bill for food imports due to a poor wheat harvest.

To add to the government's fiscal woes, cash remittances from Pakistanis working in the Middle East have levelled off for the first time, apparently because of the unstable political situation there, and the cotton crop, a key export, was smaller than expected, they said.

The government-owned

"Pakistan Times" reported that repayments on aid loans of nearly \$100 million must be made to the United States this fiscal year, ending June 30, and about \$134 million to West Germany, Japan, France and Italy.

These countries, meeting last June in Paris, refused to ease terms by rescheduling payments or extending a new grace period.

Although the situation has worsened, these donor countries are still unlikely to renegotiate terms unless Pakistan agrees to cut what they consider wasteful spending and streamline its economic policy, an authoritative source said.

Not all of its creditors have been so tight-fisted, however. Iran, Britain, Sweden, Holland, Switzerland and Canada have announced relief on all or part of outstanding bilateral aid repayment obligations by Pakistan.

Among various demands, the United States and other hardline aid donors want Pakistan to scale down a costly consumer wheat subsidy, which works out to roughly a dollar a pound, scrap an "uneconomical" Soviet steel mill project and limit this year's budget deficit to \$75 million, sources said. — (AP)



Iran's uncertain oil outlook

By Robert H. Reid

TEHRAN — Resumption of Iran's vital oil exports is being held up by a complex mixture of political and technical factors that sources say make it impossible to predict when shipments will resume.

Industry sources, who asked not to be identified, also pointed out there is no guarantee Iran will ever return to the 6 million barrels a day production figure that made it the world's second largest exporter after Saudi Arabia.

"There are many people who are talking about production levels of perhaps four million barrels a day," one source said, to conserve the nation's principal natural resource.

Prime Minister Shahpour Bakhtiar, echoing the desire of religious opposition leader Ayatollah Khomeini, told parliament Thursday that Iran will cease deliveries of oil to South Africa and Israel, which rely heavily on this troubled nation for their fuel.

Iran's biggest customers — and those most severely threatened by the prospect of a long-term suspension — are Japan and the members of the European Economic Community.

About six per cent of U.S. oil imports come from Iran, but a significant reduction in Iranian exports will affect prices in the United States by limiting worldwide supply.

Iran suspended petroleum exports Dec. 26 after a three-month strike by workers opposed to the Shah forced production well below the 900,000 barrels a day needed during winter months for domestic markets.

Although the strike had been underway since mid-October, production plunged dramatically after the Dec. 23 murders in Ahwaz of American oil executive Paul Grimm and an Iranian oil official.

That triggered an exodus of foreign workers from the fields and widespread resignations by frightened Iranians.

Khomeini, exiled religious leader, has decreed that oil workers may return to produce enough fuel for domestic needs but not for the export market.

His emissary, oil engineer and human rights activist Mehdi Bazargan, has apparently managed to convince most workers to go back to their jobs, although production is still below 300,000 barrels a day.

One source said negotiations with Khomeini and the workers on resuming exports must wait until critical domestic shortages of gasoline and heating fuels have eased.

But producing just enough fuel for domestic needs, oilmen say, is not as easy as it sounds.

Refineries cannot begin producing enough gasoline, kerosene and heating oil — desperately needed by Iranians — unless storage space is available for products for which there is little domestic demand.

Chief among these is the heavy residual oil used for powering steam generators and by oil tankers as fuel. Storage tanks in Abadan, site of the world's largest refinery, are jammed with 10 million barrels of this fuel, sources say.

With Khomeini's blessings, the National Iranian Oil Company has begun shipping some of this fuel to Kharg Island in the Gulf, which can store about 2 million barrels. But at full capacity, the Abadan refinery will produce 220,000 barrels of the unneeded fuel each day and eventually storage facilities will be overrun.

"You don't change the type of refined product by turning a valve," one source said. "You do it by building sophisticated facilities. The Abadan refinery was designed that way to provide fuel for tankers which had come to pick up crude. That's not easily changed."

Industry officials are bopping Khomeini will relax his "ban" on exports — at least for tanker fuel — to help solve the storage problem.

But that too is a limited solution. "The world is not knocking at the door for this type of fuel," one official said. Since January 1978, Iran has been urging the international oil consortium which buys most of its petroleum to increase purchases of this heavy fuel.

Another problem facing the industry is the lack of a cohesive labor organization representing oil workers. When Bazargan accepted his mission, he had to travel to virtually every field, refinery and port to urge local workers to return to their jobs.

"No one can say, 'All right, we will stop the strike and return to work,'" one source explained. "That, coupled with the fact that the strikers are convinced they have the power, means that with any problem, real or imaginary, they may walk out again."

There have been reports that radical elements among the oil workers ignored Khomeini and wanted to continue the strike until it triggered economic collapse and social revolution. But verifying such reports was impossible. — (AP)

saudi press review

"Okaz" in an editorial on Iran said that the policy statement of Iranian premier Shahpour Bakhtiar signals a fundamental departure since it calls for an embargo on oil supplies to Israel and South Africa.

"The statement also commits Iran to support the legitimate rights of the Palestinian people."

"While we should refrain from interfering in the affairs of any state, we are anxious to see an end to disunity and civil strife. We should like to warn the Iranian people of the dangers of a Communist onslaught which has been planned for a long time by sowing dissension in the country with the aim of ultimately taking over power."

The paper called for a form of "international confrontation to control the Communist sway particularly following events in Iran, Cambodia and Vietnam and what is expected to happen in other parts of the world."

Such a confrontation is necessary for mankind to get rid of the factors that lead to subversion and disintegration and save other nations from further suffering and bloodshed.

"Okaz" in another commentary, called on the ministry of information "to try harder to win the hearts and minds of non-Arabic speakers — who work in the country. The writer proposed a new television channel with English language programs and an all-day radio program in English — interspersed with French — that could explain this country to those residing here and help them understand it better."

The writer said: "Since we cannot provide foreign nationals with the kind of entertainment to which they are used at home because of our traditions and religious norms, we might as well provide them with such television and radio programs."

"These programs should not be limited to a few hours a day, but should be all-day programs."

Discussing the forthcoming conference of the Palestinian National Council which opens in Damascus Monday, "Al-Jazirah" said the Palestinians have a number of topics before them "for discussions and decisions."

"These include military and political unity, a government in exile, political and military developments in the Arab world which are full of explosive material and joint Arab action in the service of the Palestinian cause."

"The council holds its important meeting in the shadow of the abnormal event — the Camp David summit — that was such a traumatic experience for the whole Arab world."

The paper expressed its confidence in the competence and

Intelligence failure in Iran

By Jim Hoagland

WASHINGTON — The U.S. Central Intelligence Agency's long and close ties to the Shah and his intelligence service effectively prevented the agency from giving the White House a clear warning that public unrest posed a major threat for the Shah and for U.S. policy.

That conclusion emerges from a series of interviews with officials and analysts of the U.S. intelligence community, which has been shaken severely by White House criticism of its performance in Iran. Some of these officials also have been interviewed by House of Representatives and Senate staff investigators who are preparing reports on this intelligence failure.

Warnings originating in the State Department that the Shah faced rising and dangerous popular opposition last summer were kept out of a draft national intelligence estimate because CIA and Defense Department analysts strongly disagreed with that view, congressional investigators have been told.

A CIA official said that CIA director Stansfield Turner had returned the draft estimate on Iran to its agency authors twice "because he didn't think it was good enough." But the official was unable to say if Turner's objections involved the report's highly optimistic view of the Shah's hold on power.

Other knowledgeable sources said that Turner had sent the now controversial estimate back for more information in military and other matters, but there were no clear indications at the time that he was unhappy with the political reporting.

The bureaucratic wrangling over the estimate — which was overtaken by the explosion of unrest in the streets in Tehran in September — is only part of a much broader problem the CIA faces in trying to work in a country where it has an enormous investment in maintaining a regime.

"If we wanted information on the opposition leaders and on the military in Iran, we should have turned it into an unfriendly country," said one exasperated analyst. "Then we would have targeted them and developed sources. But we can't do much with opaque regimes headed by friendly authoritarian figures."

The political opposition and military officer corps have been off-limits for years to the 50 to 75 agents the CIA maintains in Iran. The agency's

professional intelligence on domestic Iranian developments has had to come largely from the Shah's own secret police, Savak, which hardly could be expected to report that the Shah was in trouble.

"If we had tried to penetrate the opposition, we would have been caught immediately by Savak," a CIA official said. "Iran is an ally. In England, we would not try to penetrate the opposition."

Hovering in the corners of the sharpening disputes over the Iran failure and U.S. choices for the future are ghosts from an era when the CIA quickly could mount covert operations to shore up — or move aside — agency allies who suddenly had become liabilities to their own countries.

Ngo Dinh Diem, the South Vietnamese dictator assassinated by his own troops in 1963 after President Kennedy let his lack of confidence in Diem be known, is conjured up by U.S. policymakers who argue that the United States would touch off disastrous turmoil by doing or saying anything to undercut the Shah in a moment of crisis.

State Department officials argue that the real dangers lie in not disengaging faster. They raise the specters of Libya or Ethiopia, where radicals have swung sharply against the United States after overthrowing regimes with which the CIA had strong ties.

In any case, Iran is already a multilevel failure that is likely to haunt the agency for years.

The agency has been deployed in Iran since 1953, when Kermit Roosevelt and fewer than 30 American and Iranian agents were able to mount an operation that brought down the leftist government of Mohammed Mossadeq and put the Shah back on the throne.

In 1953, Roosevelt mobilized huge pro-Shah crowds through religious leaders. Today those leaders are spearheading the massive demonstrations calling for the Shah's removal. The efforts to organize pro-Shah demonstrations this time were headed by some Iranian generals and Iranian ambassadors to United States Ardeshtir Zadeh, according to intelligence reports reaching Washington. Ardeshtir is currently in Tehran.

While honoring the Shah's wishes that they totally ignore Iranian developments, CIA personnel have been given free rein in gathering intelligence about the Soviet Union from Iran. The Shah permits the

United States to operate some of the world's most sophisticated listening and radar equipment on the Soviet border.

The fate of that equipment — should the Shah fall suddenly, before it could be relocated — is a major worry for Carter administration planners.

Intelligence analysts report that the agency performs two other major tasks in Iran. Its agents watch terrorist groups devoting their attention primarily to anti-Shah efforts. The CIA also is responsible for monitoring oil-field security, according to one source.

"The agency was absolutely accurate in its reporting throughout the year that the small radical terror groups represented no threat to the Shah," said one U.S. intelligence official. "But those were the only opposition groups the agency was reporting on. There was zero in their analysis about the rightist Muslim opposition that was the real threat."

This trend continued even as unrest intensified, and the White House sent an urgent request that a new national intelligence estimate on Iran already in production be accelerated. The estimate is an authoritative summary prepared on request and jointly by the CIA, State, Defense, Treasury and other departments.

Turner appointed one of his national intelligence officers to head the secret Iran project, which quickly produced a sharp and divisive dispute.

State Department analysts who argued that the opposition represented a serious threat to the Shah were overruled in the writing of the draft by CIA and Defense analysts who insisted that the report should conclude that while some unrest would continue, the Shah's hold on power was completely secure.

The draft as sent to Turner excluded the dissent the State Department wanted in the document. While State was preparing its own paper on the subject and Turner was sending the draft back for revision, the public demonstrations against the Shah escalated dramatically and "Iran became a day-to-day problem for us," a CIA official said. The estimate was shelved October.

Portions of the first draft were published after a note from President Carter expressing unhappiness with intelligence reporting on Iran also was leaked. — (WP)

Talking to the White House

By a Staff Reporter

Washington Bureau

WASHINGTON —

The White House, responding to charges it discriminates against Americans of Arab ancestry, has decided to open an ongoing dialogue on Middle East issues with representatives of the Arab-American community.

Presidential assistant Anne Wexler has notified the National Association of Arab Americans (NAAA) that the White House will open its doors to NAAA representatives for consultations on issues affecting America's two million citizens of Arab descent.

"We appreciate your willingness to work with us in establishing better communications between the Administration and

the Arab-American community," Wexler said in a letter to NAAA President Hisham Sharabi.

"I understand and appreciate your desire to be involved," she said, "especially during this critical time in the Middle East deliberations, since this has severe ramifications for the Arab-American community."

Wexler said she was writing on behalf of President Carter. In a letter to Carter Dec. 5, Sharabi had charged the White House was guilty of discrimination against Americans of Arab descent, noting there was not a single Arab-American among the 250 professional staffers working at the White House.

Sharabi also said Arab-Americans were being deprived of political access to the White House.

"Our sense of exclusion is the

more painful when we observe special accommodation being made by the White House to the American Jewish community."

The Jewish community — the only minority to be so favored — is represented on the White House staff by liaison Edward Sanders, former head of the Zionist lobbying group AIPAC, the American-Israel Public Affairs Committee.

In her response to Sharabi, Wexler did not comment on the possibility of hiring Arab-Americans in White House staff positions.

NAAA Public Affairs Director John Richardson said that regular consultations between the White House and his organization would probably begin in January.

able to silence those who claim the right to speak on their behalf or to exercise a mandate on the Palestinian people."



Friend to man with magnifying glass: What are you looking for Abu Aziz? Abu Aziz: For the municipal cleaners.

Al-Jazirah

The Hala Calligraphy Establishment of Mecca

By Mahmoud Omar Abdallah
MECCA—At the Hala Calligraphy Establishment here, craftsmen work to keep one of the world's oldest forms of art alive. Arabic calligraphy is regarded as among the highest

becoming a full-fledged artist: "He considers his work of the highest order — like a poet or musician — but even more so because he works in the language and script of the Holy Koran. Before he achieves pro-

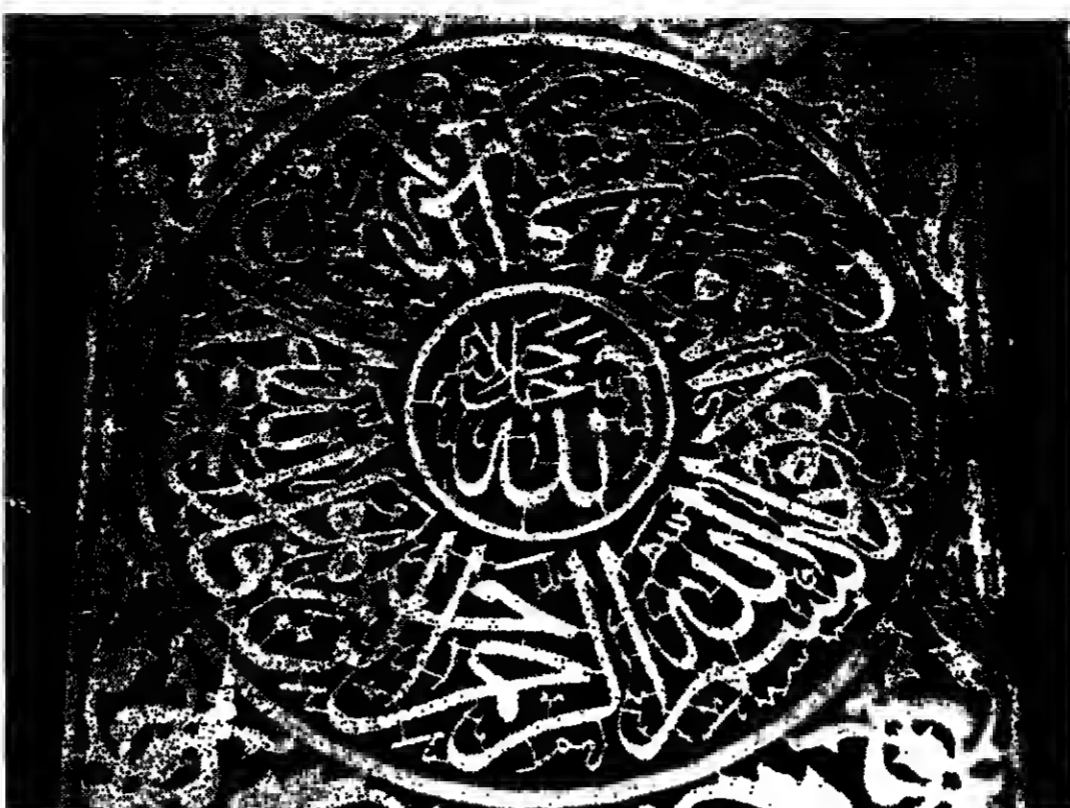
design is chemically transferred to the metal.

Next, another calligraphy technician cuts the design out of the metal while still another worker mats the metal script design onto black velvet-like material. The beautiful metal design resting on the velvet is then handsomely framed.

"It takes about 10 to 15 hours to complete a good calligraphic design of 16 by 20 inches," remarked Abdul Raheem. "The cost for this would be about 300 riyals."

The owner of the shop, Yaya Abdul Qadar, employs three calligraphy technicians, one apprentice and one artist. The materials are imported from Cairo. In addition to the An Has metal, the wood, glass and chemicals are also shipped to Jeddah's port from Cairo. Usually a one ton order of metal is sufficient stock for a year's orders.

There are 13 different script styles commonly used throughout the Arab world, including Diwani, Ijazah, Kufi, Mashaf, Mubhaggag, Naskh, Thuluth and Tughra. The most frequently



"God, His gracious, is great"

used scripts today are Naskh, Rika, Thuluth, Kufi and Diwani.

Arabic is a semite language written from right to left. Its

script consists of 11 graphic shapes which become 28 letters as a result of adding additional symbols to them.

The early Arabic script was

perfected in Kufa, an Iraqi city founded in 638 A.D. This script became known as Kufi. It is difficult to read because of its angularity and straightness of



Calligrapher Abdul Raheem

lines. The original Kufi has been replaced by a smooth, cursive script called Naskh, used today in most newspapers and Koranic print.

The Prophet said: "Beautiful writing increases the truth of clarity."

The Hala calligraphy shop produces custom religious calligraphy as well as special certificates, diplomas, official documents and house address plates, inscribed on brass. The shop employs various styles of Arabic, according to the wishes of the client.

expressions of decorative art anywhere.

It is a functional craft as well, and can be seen daily in newspapers, magazines and advertisements. More ornate versions exist on mosque (masjid) portals and in Islamic calligraphy collections throughout the world.

The Hala shop in Mecca is the largest in the Kingdom and includes a showroom, workshop, factory and warehouse.

At the shop on Shari Al-Hafir, calligrapher Abdul Raheem described the training an apprentice must undergo before

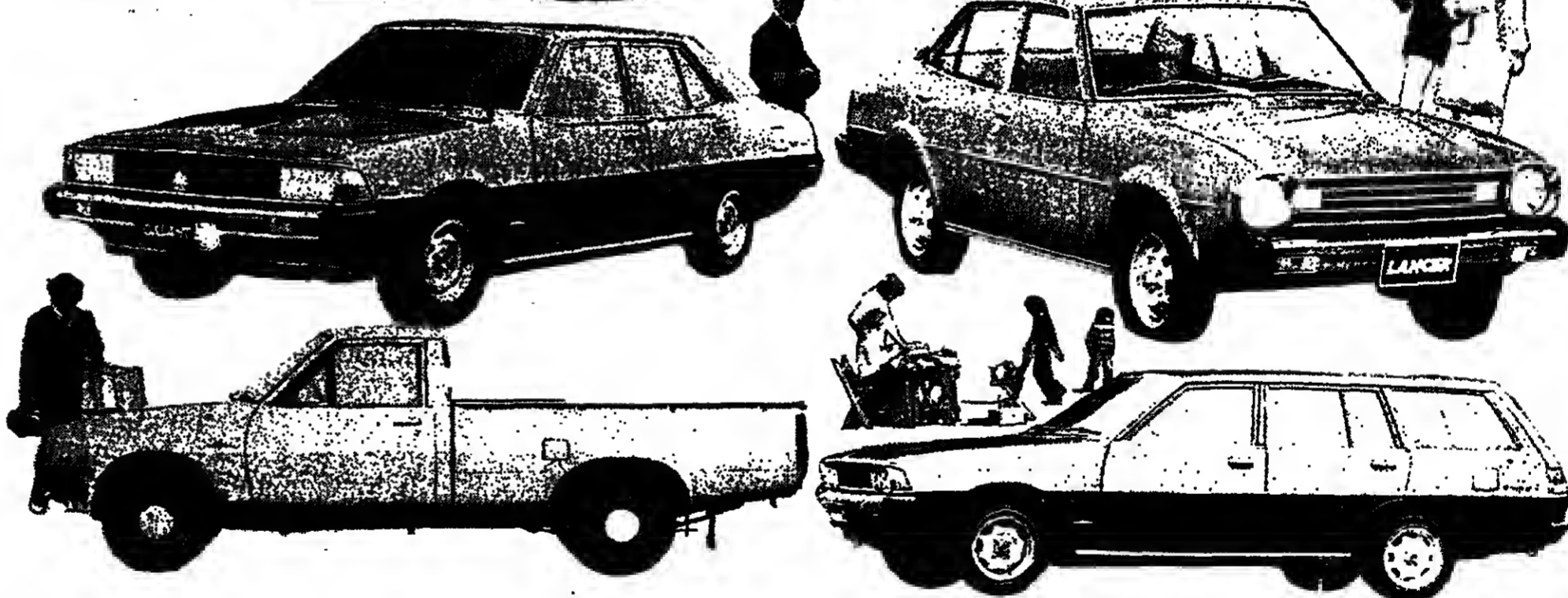
professional status he apprentices for 15 years learning all the intricate skills and varied techniques of the art."

Young men begin their apprenticeships at the age of 10 or 12, Abdul Raheem said.

Shop artist Fathi al-Majawwi begins the complicated process by drawing the subject on paper. The primary design is then transferred to the metal by an ancient technique. Next the calligraphic design is placed on the An Has metal. After applying chemicals to it, the metal is exposed to direct sunlight for one hour. During this time the

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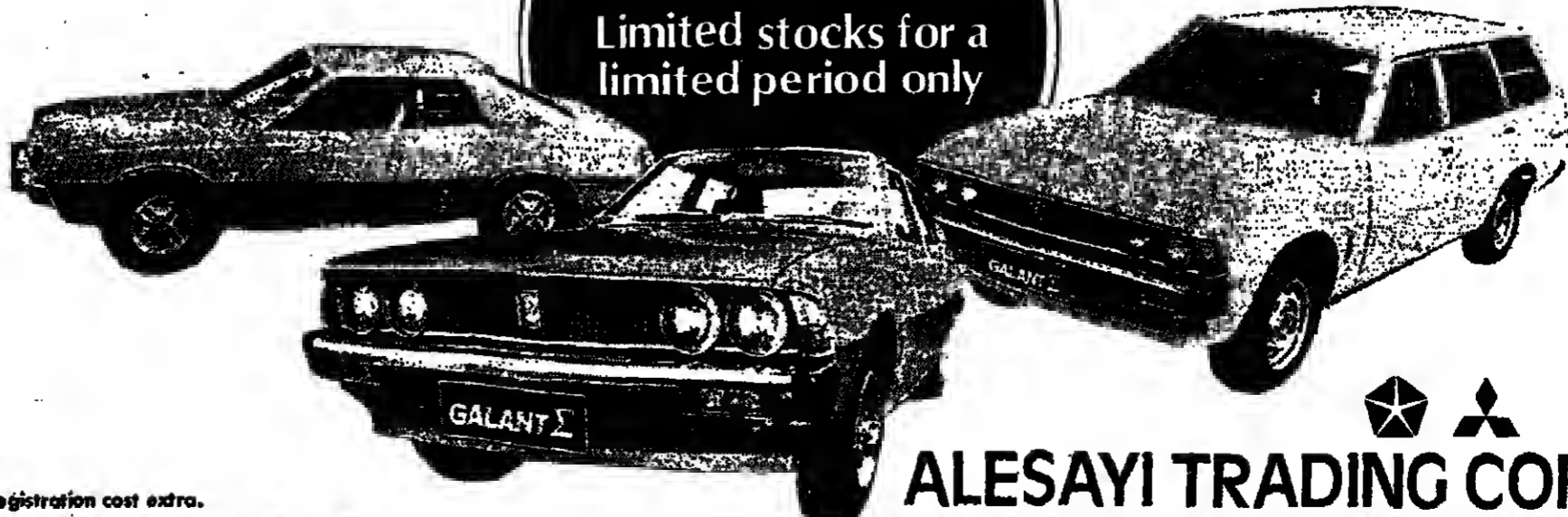
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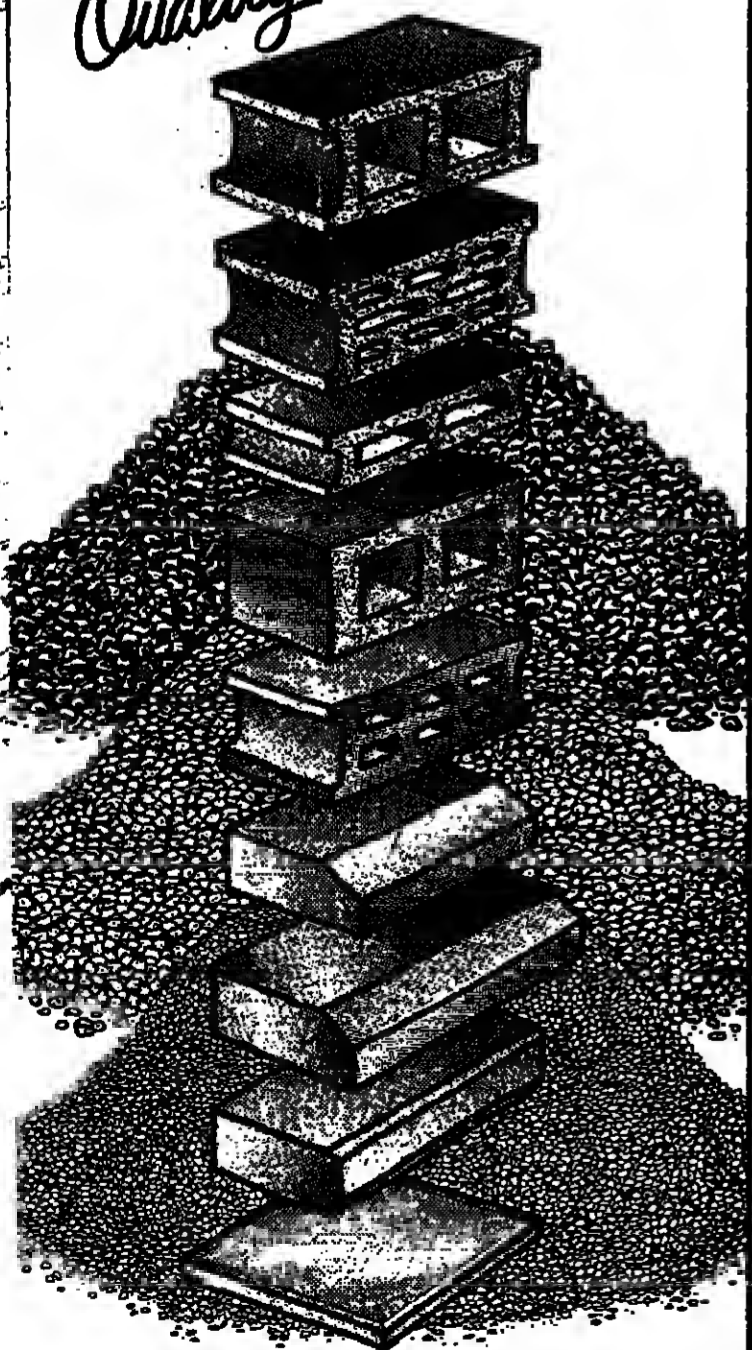
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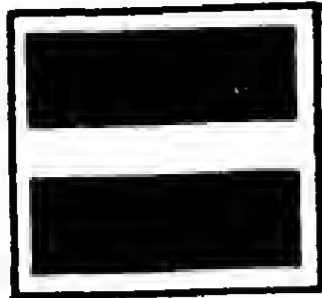
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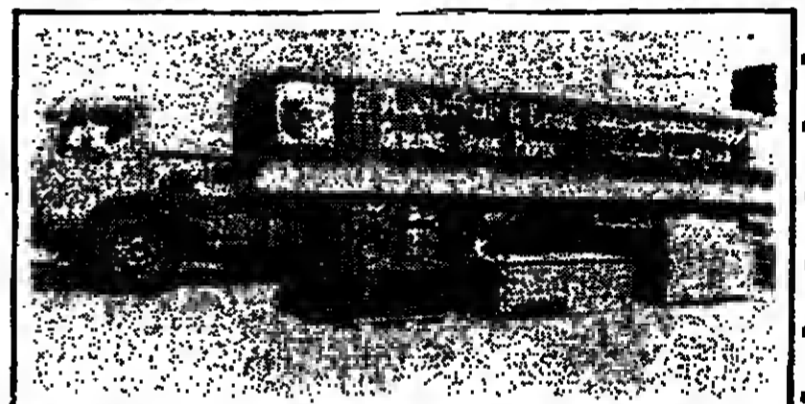
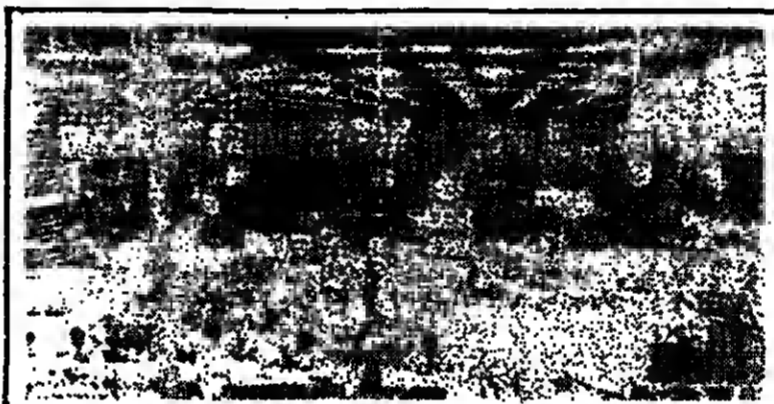
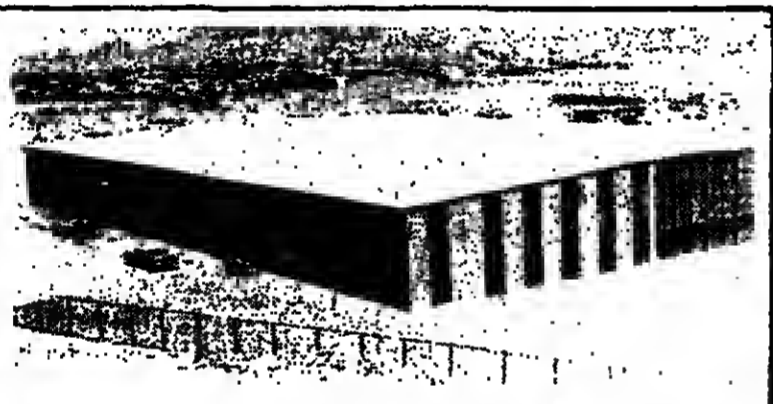
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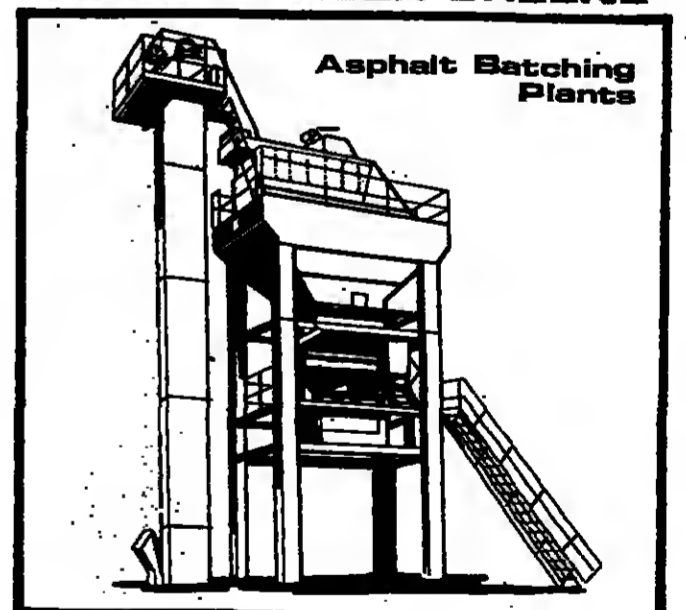
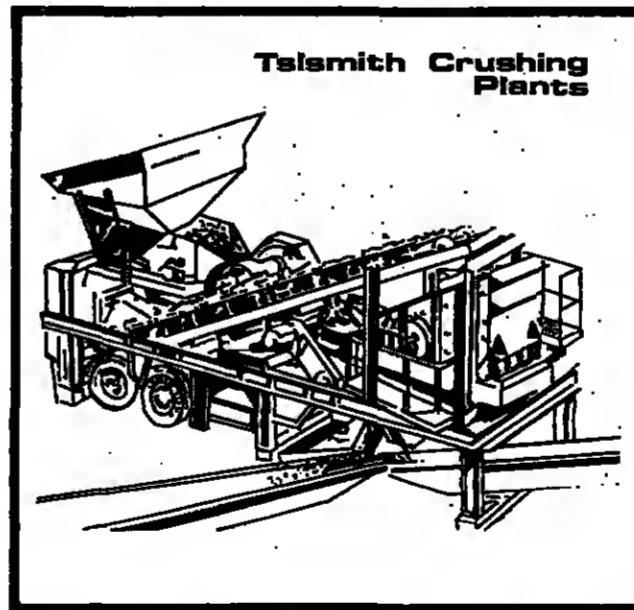
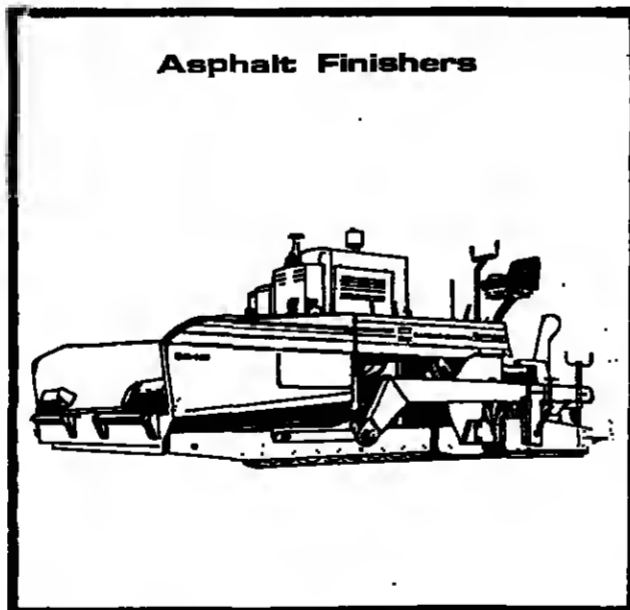
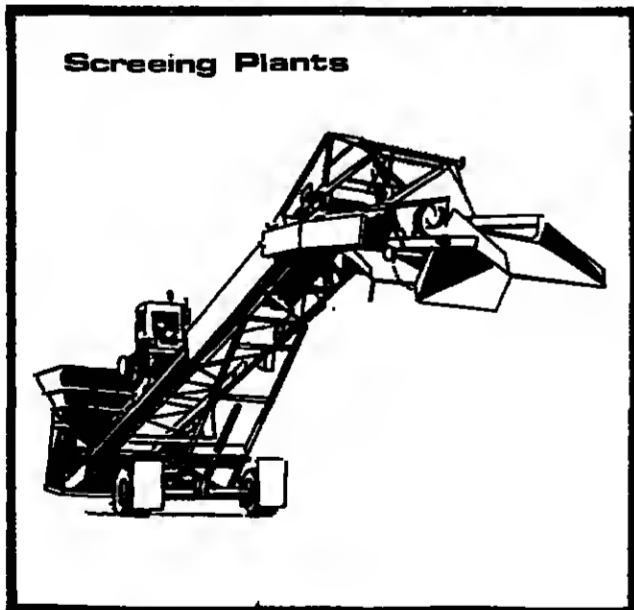
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Developing countries and marketplace America

By Michael Cavanagh
(The writer is a correspondent for "U.S. Export Weekly," a Washington-based magazine.)

WASHINGTON — American consumers recently flocked to Bloomingdale's department stores' \$8 million promotion of consumer goods from India. And they got what they paid for — high quality manufactured goods ranging from handcrafted art objects to sophisticated clothing designs and housewares.

They also got a dramatic demonstration of a significant trend in U.S. trading patterns: Goods from developing countries are accounting for an increasing percentage of U.S. imports.

Bloomingdale's, trendy bastion of American chic, held its "very successful" promotion in every department of its 13 stores across the United States. It was clear that the readiness of American consumers to buy expensive goods of Indian manufacture reflected their sophistication as well as that of India's producers.

But, successful as it was, the Bloomingdale activity was merely the tip of the iceberg. According to U.S. Commerce Department figures, developing nations captured 24.4 percent of the \$77 billion worth of manufactured goods imported by the United States in 1977. In 1970 the figure was 15.1. During the same period the industrialized world's share of these U.S. imports dropped to 75 percent of the total in 1977 from 80 percent in 1970.

In 1976, the most recent year for which trade figures by commodity are available, the United States spent twice as much for manufactured goods from developing countries as it did for their agricultural products.

While the manufactured goods are concentrated in traditional sectors — shoes and textiles, for example — there has been a significant increase in U.S. purchase of capital goods. In 1970 the United States imported \$100 million worth of these products from countries of the Western Hemisphere, excluding Canada. In 1977 the figure reached \$1 billion. U.S. imports of capital goods from East and South Asia — excluding Japan — jumped from \$200 million in 1970 to \$1.8 billion in 1977.

Taiwan, Mexico, South Korea, Brazil, Hong Kong and Singapore have demonstrated particular success in penetrating U.S. markets for manufactured goods and accounted for 16.2 percent of 1977 imports. The six accounted for 41.8 percent of U.S. purchases of miscellaneous manufactured articles.

Among the factors responsible for this trend: the U.S. lead in re-establishing economic growth after a recession, Americans' acceptance of foreign-made products, Washington's commitment to help less industrialized states take their places in the international economic community.

The situation can be compared to the Japanese recovery following the Second World War. While Japan enjoyed the advantages of a basic industrial infrastructure, the war had laid waste many of the fundamental means of production and distribution. As U.S. economic aid spurred production, U.S. consumers developed an appreciation of Japanese manufacturing skill.

Japan's steady escalation of technological development in turn left the way open for U.S. consumers to purchase less sophisticated products from other developing world suppliers — and Hong Kong, Taiwan and South Korea assumed their enviable positions in U.S. import rankings.

This process has not occurred without U.S. sacrifices. American industries vulnerable to foreign imports have continually faced a problem of adjustment to rising purchases from abroad. Protectionist pressures have intensified in recent years as industries in populous and politically powerful states have taken their cases to presidents and the U.S. Congress. The U.S. government's response testifies to the nation's commitment to international development. Congress passed laws providing financial assistance to industries beset by import competition and further liberalizing import rules through the institution of the generalized system of tariff preferences (GSP) afforded developing states.

The GSP was instituted under the 1974 Trade Act, and became effective in 1976. The program allows for duty-free entry of 2,800 kinds of articles from 99 eligible developing countries.

Because it will take time for

developing states to gear up their production to take advantage of the program, the full effects will not be felt for some time. But the progress evident in the first two years of the scheme's operation indicates it will help industrializing nations compete with developed states in U.S. markets.

A U.S. State Department survey of 50 product areas in which the United States imports at least \$25 million worth of goods each year shows that significant advances have been made in replacing U.S. purchases from developed countries with imports from less developed states.

U.S. imports of developing-country machine tools, for example, went up from about \$4 million in 1975 to about \$20 million in 1977. Under GSP, developing countries increased their share of U.S. automotive parts imports from 13 to 20 percent while the developing world's share of U.S. plastic furniture imports went up from 47 percent to 68 percent. In the non-bone China import category, developing country manufactures accounted for 31 percent of U.S. purchases in 1977 compared with 15 percent in 1975.

A number of states have made good use of the GSP program to introduce a wide range of products to the United States.

Israel exported \$26 million worth of aircraft to the United States in 1977 under GSP, \$13 million worth of jewelry, \$16 million in pneumatic tires, and \$5 million worth of engines. India used GSP to sell the United States \$5 million worth of pipe tools and wrenches, \$4 million worth of bolts and fasteners, \$3.5 million worth of brass household goods and \$2.5 million worth of pneumatic tires.

Yugoslavia sold the United States \$47 million worth of furniture, \$11.5 million in aluminum bars and sheets, and \$9 million worth of insulated electrical receivers; while the Philippines sold \$2 million worth of solid state radio receivers and \$1.8 million worth of office machine parts.

For the least developed countries, penetrating the sophisticated and competitive U.S. market is not an easy task, even with GSP. The African states in particular — their trade based largely on the raw materials and agricultural products they alone can provide — face a shortage

of labor skills and infrastructure that must be overcome through concentrated effort and the assistance of the industrialized world.

Still these countries have the opportunity to reap enormous benefits — exporting the labor-intensive products that will provide significant increases in their per capita income while developing the marketing expertise that will be essential when they start to produce more sophisticated goods.

As a U.S. State Department official said, noting the increasing appearance of African and other lesser developed country handicrafts in the import tables: "These countries are beginning with what is best for them. And they're beginning with the same kinds of labor intensive products that marked the first significant entry of Japanese goods into U.S. markets. If you look at it from this historical perspective, they're on the right track."

Reinforcing the U.S. commitment to maintaining access to its markets is the belief that purchases of developing country manufactured goods have tangible benefits for the U.S. economy and serve domestic national interests.

U.S. plant builders, for instance, may provide the developing state with the equipment to produce its manufactures. As the manufacturing system grows, additional U.S. equipment may help increase its capacity to update its processes.

Additional benefits are felt as U.S. consumers find that they can buy quality goods at prices below the cost of U.S. manufactures. The resulting downturn in U.S. prices provides needed relief for America's inflationary impulses and the impetus for U.S. industry to improve its technological edge or to develop products that do not compete with those that can be produced more economically overseas.

At another level, U.S. purchases of manufactures provide the wherewithal for developing countries to increase their purchases of U.S. commodities.

In a paper cited in the congressional debates over foreign aid appropriations, John Sewell of the privately funded Washington-based Overseas Development Council points out that "trade with the developing countries is a two-way

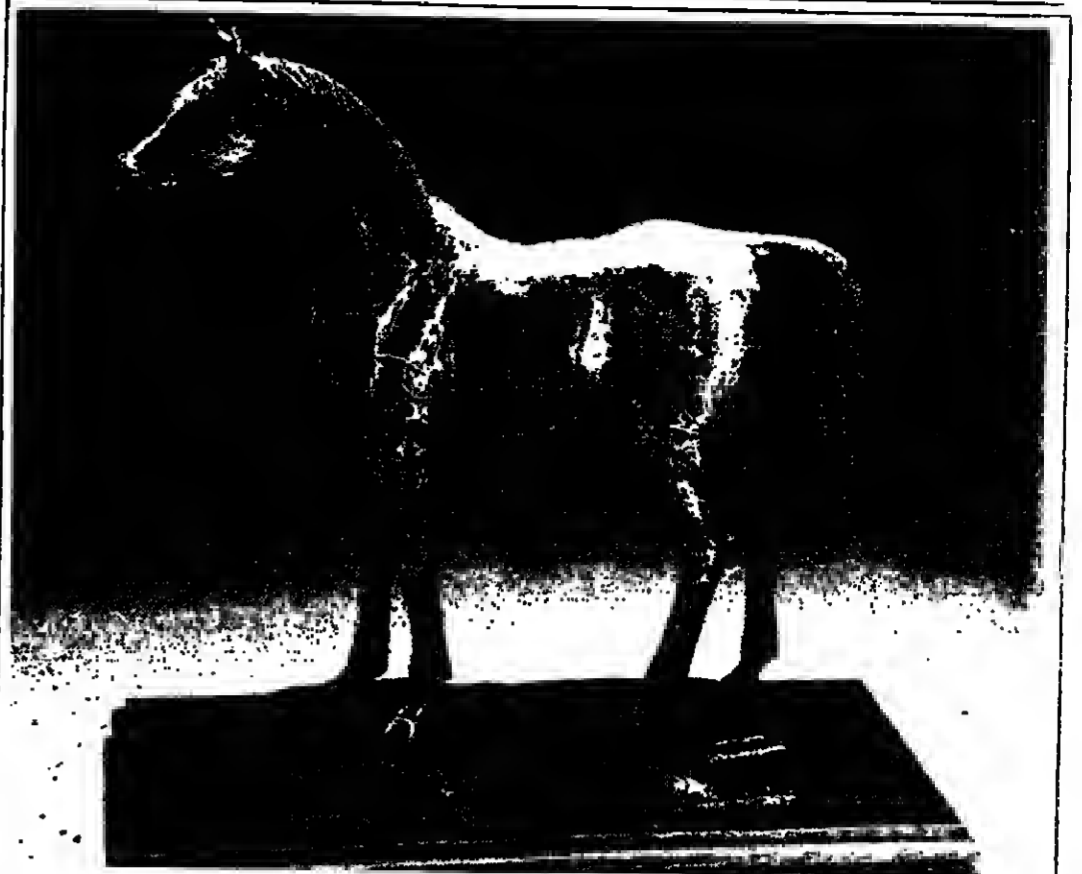
street. Unless the developing countries can export to the United States and other industrial countries, they will not be able to earn the foreign exchange that in turn will allow them to purchase the manufactured goods produced in the industrialized countries."

Sewell predicts that if present international trade policies are continued, developing country export earnings from manufactured goods will probably reach \$948 billion by 1985. This projection compares with \$10 billion in 1965 and \$33 billion in 1977.

Signaling the recognition of the changing nature of developing countries' trade with the United States, President Jimmy Carter told a meeting of the Organization of American States: "Trade policy will become more and more important, as your economies continue their transformation, which is inevitable, with manufactured goods making up a larger and larger proportion of your production and exports."

Carter then emphasized the U.S. commitment to maintain and expand developing states access to developed country markets.

"I have fought hard to resist protectionism," he said, "and I will continue to do so. Within the Organization for Economic Cooperation and Development (OECD) we have urged the healthier economies to grow faster so as to expand markets for your exports. In the multilateral trade negotiations, we seek to reduce barriers to those exports."



THE ARAB: A bronze statue, desk size, of an Arabian horse, done by British artist Susan MacLaurin, available through Olaf Ahrens Ltd. on High Street, Chesham, Surrey, U.K.

An addiction to caffeine

By Nigel Hawkes

LONDON — Tense? Nervous? Feeling low. You could be suffering from what is probably the commonest self-induced conditions in the developed world, caffeineism.

Caffeinism, or so a number of doctors believe, comes from excessive consumption of tea, coffee, cola drinks, or stimulants and painkillers containing caffeine. If they are right, a good part of the Western world is deliberately, if unknowingly, poisoning itself.

Along with nicotine, caffeine is one of the socially-acceptable drugs used by human societies. But its effects, and particularly its ill-effects, are much less well-understood than those of cigarettes.

Caffeine is a central nervous system stimulant, and any dose which exceeds 250 milligrams a day is classified by pharmacologists as large. Since the average cup of tea contains between 60 and 75 milligrams, and the average coffee between 100 and 150 (instant coffee is lower, at

86 to 99 milligrams) it is remarkably easy to take in a substantial dose.

As many as 10 per cent of Americans, according to Dr. John F. Greden of the University of Michigan Medical Center in Ann Arbor, consume more than 1,000 milligrams a day, four times the "large" dose.

Millions of British women, whose tea-pots are on the go from first light until they go to bed, must fall into the same category. And so must a large number of British men. (OFNS)

FILL THE GAP...?

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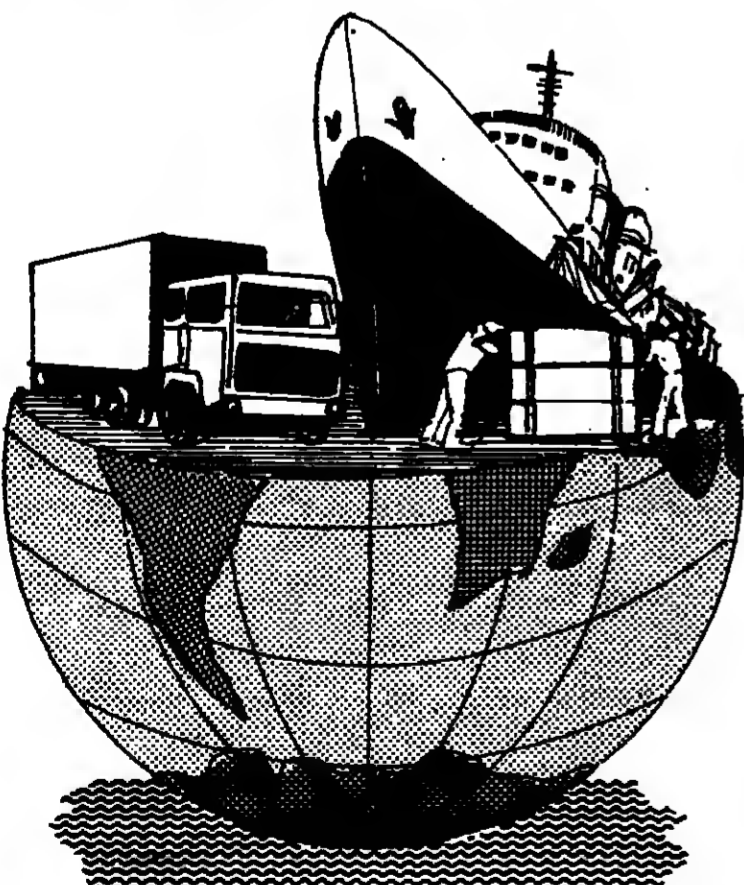
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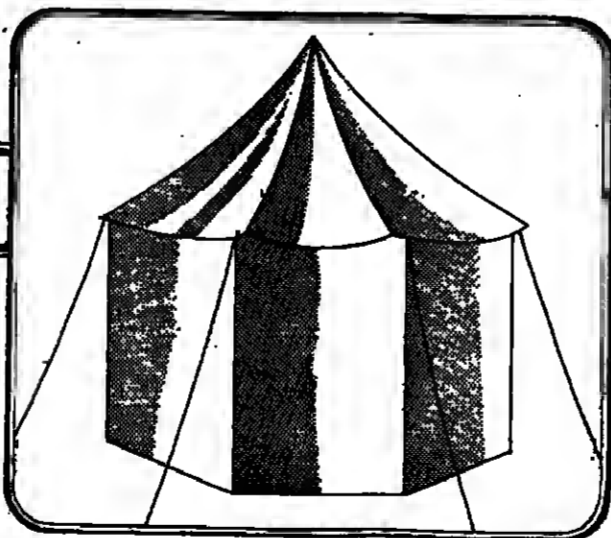
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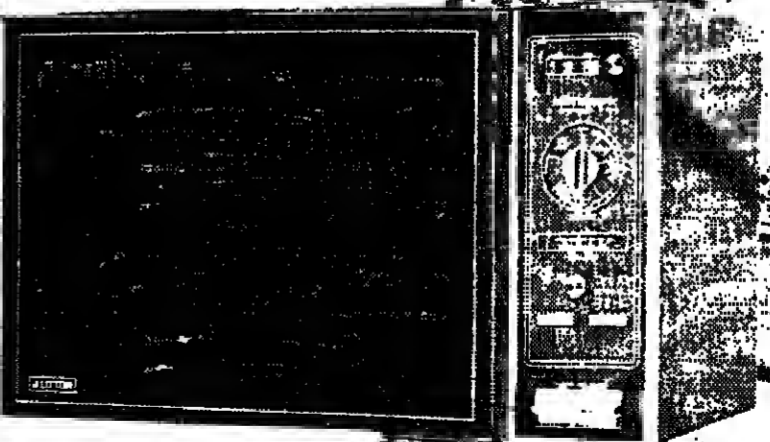
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Beats Ataji, 3-1

Rivelino hat-trick keeps Hilal on top

By David Smith
JEDDAH, Jan. 12 — Al-Hilal stays one point clear at the top of the Premier Division after a convincing 3-1 victory over Al-Ataji in Riyadh Thursday. The Hilal hero was Brazilian Roberto Rivelino who scored all three goals and had a fourth disallowed by the referee.

Rivelino's first came two minutes before the interval from a pass by Sukao bin Nasib to put the league leader 1-0 up at half-time. In the second half Rivelino added two more before Saleh Al-Wahee scored a consolation goal for the Hilal side in the last five minutes.

Hilal now has 17 points, one more than close rival Al-Nasr. This week Hilal has two home matches in Riyadh, against Itifaq Tuesday and Nabda Friday and must be expected to gain full points from these matches.

Nasr similarly has two relatively easy matches before the mid-season break, against Al-Kadasia in Dammam Monday and at home to Al-Ataji Thursday. But it will not take the trip to Dammam lightly after Kadasia's 2-0 home victory over injury-plagued Ahli Friday.

Nasr stayed in contention Thursday with a 2-0 win over Al-Nabda in Dammam. Goals by Tunisian striker Al-Agrabi

and Saudi international center-forward Majid Abdullah gave the Riyadh side its two points.

If the two leaders win their matches as expected the league will be poised in an interesting position as the league matches stop until April 8th to allow the national team to prepare for the Gulf Games in Baghdad. With only six matches to play after the restart both teams will be keen to arrange friendly games to maintain fitness and teamwork during this lay-off although both sides will be subject to international calls.

Jeddah's Al-Itifaq got back on the winning track after its defeat by Hilal with a 2-0 victory over Al-Riyadh in Riyadh Friday. Itifaq's goals came from Swedish striker Stoberg and from Saudi international Issa Hamdani, his fifth in four matches. This win puts the Jeddah side into third place in the league four points behind Al-Hilal and with Hilal yet to visit Itifaq, Dammam's Al-Nasr's side cannot be written off as potential champion. But

it has a lot of work to do in the second half of the season.

As predicted, Mecca's Al-Wehda and Dammam's Al-Itifaq fought out a hard scoreless draw in Jeddah Thursday.

Kadasia 2, Ahli 0

Ahli's injury troubles continued with midfield players Ahmed Sagor and Tariq Khayal joining Amin Daboo and Imad Kholaji on the list. Without these players the Ahli attack was a shadow of its former self despite the promptings of Tarek Diab.

Tarek is very much a team player and, while he showed several signs of his skill and passing ability, his colleagues were unable to respond and the depleted Ahli attack could not create any clear-cut scoring chances.

Kadasia, without ever looking a side likely to trouble the league leaders, worked hard in midfield and had lively wingers who were able to cause problems for the Ahli defense. It is Kadasia's third win in succession and lifts it clear of the



TAKEOFF: Aerial acrobatics as a competitor in a recent water ski tourney in Miami, Florida heads for disaster.

Auto race survives slush fund scandal

JOHANNESBURG, Jan. 12 (AP) — The South African Grand Prix auto race, threatened by revelations that it had been sponsored in past years by clandestine government funds, is definitely on, officials announced Thursday.

The announcement followed a private campaign to raise \$340,350 for the race, scheduled for March 3.

Francis Luckier, chairman of the South African Motor Racing Club, said the final \$12,000 was donated by Ford Ltd. Luckier said he had advised organizers of the race that SAMRAC could lodge a guarantee for the event.

The Grand Prix has been sponsored in recent years by the "Citizen" newspaper.

Among disclosures in a major scandal involving the misuse of millions of dollars of secret propaganda funds last year, it was found that the "Citizen" was founded and run largely out of clandestine funds. Some of these funds were channelled to the Grand Prix.

After the disclosures, public relations man Robin Binkes launched a "Save the Grand Prix" campaign. The deadline was Friday.

Renner adds from Nairobi: Three Kenyan athletes owe in New Zealand for a series of international invitation meetings will not be stopped from competing in spite of a reported confirmation that six New Zealanders were in receipt of official invitations to play rugby in South Africa, an athletics official here said Friday.

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Cameroun's Canon

From grapefruit to African champions

YAOUNDE, Cameroun, Jan. 12 (R) — Canon soccer club of Yaounde, winner of Africa's

Champions Cup final against Hafia of Conakry here last month, began almost half a century ago kicking grapefruit.

Founded in 1930 in one of the poorest districts of what was then a tiny hill city, the club at first played only for the glory of the chief of the Ewondo, the city's dominant tribe.

Players had only an ill-defined pitch with goals marked by big stones. They preferred playing bare-footed and because a real football was too costly, it was replaced by grapefruit which were used up by the basket-load in a 60-minute match. The only rule of the game was to score at all costs and the referee — when there was one — rarely used his bunting horn (in place of a whistle) to stop play.

Children can still be seen playing grapefruit soccer in the streets of Yaounde.

But Canon Club has moved on. The big break came in 1950 when the club won its first championship against local rival Tonnerre, whose fans came from the up-town residential district of Yaounde.

The war between the two has never relented and soccer officials had to move a match venue hundreds of miles from here to avoid trouble.

With independence from France in 1960 came a strong organization for Canon who since then have won the Cameroun Cup and League titles several times. In 1976-1977, it did not lose a single home game for 520 days.

Entering an African competition for the first time in 1971, Canon caused an upset by winning the African title against Ashanti Votoko of Ghana.

But the unexpected victory was not followed by other successes in pan-African competitions — although Canon entered them regularly either as champion or as cup-winner year after year.

It is entering the 1979 African Cup-Winners Cup and its current chairman, businessman Theodore Etienne, is determined to see Canon grab it and keep it for as long as possible.

In bid for 6th World Cup

Proell wins third straight downhill

LES DIABLERETS, Switzerland, Jan. 12 (AP) — Annemarie Moser Proell set a new track record to win her third straight downhill victory of the season, Friday reaffirming her bid to regain the World Cup title.

The 25-year-old Austrian, who became the only woman to win five World Cup titles between 1971 and 1975, gave another superior performance on the twisting, 4,100-meter course for a winning 1:28.83.

The runnerup, Evi Mittermaier of West Germany, finished 1.81 behind with Switzerland's Marie-Therese Nadig, third, trailing the winner by 2.36.

Proell thus moved into the sole lead of the World Cup standings with a total of 115 points, ten points ahead of Nadig who had tied her up to Friday.

Cindy Nelson, 23, finished fourth, 2.59 behind Proell. It was the best American showing in the women's World Cup downhill this season.

Proell's time, for an average 85.106 kilometers per hour or 52.893 mph, was .55 seconds below the record she set last year on the 505-meter drop "La Jorasse" course, rated among the most difficult tracks on the World Cup circuit.

Starting ninth, right behind

Nadig, she travelled in bright sunshine and good snow to post by far the best intermediate time and then keeping up the momentum up to the end.

The win was her 32nd downhill victory in her World Cup career. Proell laid off competitive skiing in 1975.

Pistons at last warm up, snap 6-game losing skein

NEW YORK, Jan. 12 (AP) — It took M.L. Carr and Bob Lavier a while to warm up Thursday night — shucks, it took everyone a while to warm up in the frigid Pontiac Silverdome — but when they did the Detroit Pistons cooked on all cylinders.

Carr scored 17 of his 23 points and Lavier got 12 of his 18 after the intermission in leading Detroit to a 104-101 triumph over the Portland Trail Blazers that snapped the

Pistons' 6-game losing streak.

The Silverdome was cold with the thermometer in the low 50s — it was near zero outside — because of a condensation problem under the dome.

Elsewhere, George Gervin pumped in 52 points as the San Antonio Spurs flogged the San Diego Clippers, 140-111. The Seattle SuperSonics edged the Phoenix Suns, 109-106, and the Kansas City Kings turned back the Golden State Warriors, 94-89.

As Olympic mascot

French rooster crows at Disney dog

PARIS, Jan. 12 (AP) — Gawshh, fellas, it's a real honor, but don't get upset on account a'me. It's all (yuk yuk) in good fun.

That might Goofy, Walt Disney's immortal klutz, react to the uproar that has arisen over the choice of his lummoxy

character as the French team's symbol for the 1980 Olympics.

The complaints, which reached the French parliament Thursday, elicited a reaction from Sports Minister Jean-Pierre Soisson, who assured his outraged countrymen that the Goofy symbol will "not constitute an emblem of national representation."

Goofy, Mickey Mouse's gangling sidekick since 1933, was chosen as the team mascot, to be displayed in French commercial efforts to exploit the Moscow Games — kiths, sports gear and chewing gum cards.

Goofy, called Dingo in his enormously popular French incarnation, was among several candidates for Olympic stadium presented to 150,000 visitors at a children's fair last year.

"The kids accorded him a big triumph," said M. Pfeiffer of the French Olympic Committee. "They adore him."

Some high-ups thought differently, and their objections cut across political lines.

Francois Leotard, a deputy for President Giscard's Gaullist party, presented a written question to the government protesting against the choice of "a character which symbolizes ridicule, grossness and a certain foolishness."

Two other deputies, a communist and a rightist, raised similar objections.

Perhaps, they thought, Goofy was replacing the proud Gallic rooster as France's national emblem. Replying to the questions, Soisson insisted "there was never any question" that the rooster would not reign supreme, while Goofy would be just a gimmick.

The Olympic committee bought the rights to Goofy from

Disney productions in return for 20 per cent of all profits made on goods bearing the emblem.

At first, team organizers thought about choosing Asterix, France's most popular home-grown comic strip character, as the emblem.

Asterix, a plucky little Gaul who vanquishes Roman invaders with mighty swipes of his wooden club, was ruled out.

"We wanted a French character," said Claude Collard, President of the Olympic Committee. "But Asterix has a tendency to use violence to settle his problems and, above all, to use a magic potion which is too evocative, to us, of doping."

Bad chess day for Americans

HASTINGS, England, Jan. 12 (AP) — Anatoly Lein, a former Soviet Grand Master now living in Cleveland, Ohio, drew his adjourned game with Evgeny Vasjukov of the Soviet Union and John Peters of the United States resigned his adjourned game against Shaun Taulbut of Britain without resuming Thursday, a day marked by setbacks for American players.

In 13th round games, the Tailender M. Balston of Israel beat Peter Bilyas of Canada in a complicated combative battle and Taulbut held Lein to a draw.

Larry Christiansen of the United States adjourned his game against Istvan Csom of Hungary with an almost certain loss in prospect.

Peters, however, is a pawn ahead against Alexander Korchiev of the Soviet Union but the position will almost certainly simplify down into a draw.

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Unemployment also rises

U.S. retail prices up 9.1% in year

WASHINGTON, Jan. 12 (Agencies) — American wholesale prices rose by 9.1 per cent in 1978, the highest in four years, and officials said they saw little evidence of a significant improvement in the near future.

The increase, the sharpest since 1973, foreshadowed similar results for consumer prices.

The Commerce Department reported "one ray of sunshine" on the inflation front, a 0.2 per cent decline in prices for raw foods and animal feeds. "But I don't expect a sunny day tomorrow from that," a department economist said.

Another sobering note for the outlook was a department report that business investment, a key to avoiding inflationary bottlenecks and shortages, is expected to grow at a slower rate next year.

Friday, the Labor Department said the United States unemployment rate edged up from 5.8 to 5.9 percent last month as the number of persons holding jobs increased by

a relatively small 104,000.

But the department said both black and white workers and adult men and women scored strong gains for all of 1978, the third year of sharp expansion in jobs.

December's employment growth was much slower than that of previous months and was down sharply from November, when 510,000 new

jobs were created.

Some private economists say the Carter administration's success in bringing down the unemployment rate is clouded by the prospect of a business downturn. Because of the emphasis on fighting inflation, these economists expect the jobless rate to rise later this year. They say new jobs must

be created steadily to keep the

unemployment rate from rising because of the constantly declining average retirement age.

In its year-end review, the Labor Department said the only group with a worse job situation for 1978 were teenagers. About one out of every four unemployed persons was younger than 19.

British inflation rises slightly; wage demands more strident

LONDON, Jan. 12 (R) — Britain's annual rate of inflation has risen from 8.1 to 8.4 per cent, according to government figures issued Friday at a time when the country is stricken by widespread strikes in demand for big wage rises.

The Employment Department said the retail price index, the key to the inflation rate, rose 0.8 per cent in December after an increase in

November of 0.7 per cent.

This takes the year-on-year inflation rate for December to 8.4 per cent for 1978, up from an annual figure of 8.1 the previous month.

In November, the inflation rate rose above the eight per cent level for the first time in seven months.

The rate was running as high as 26.9 per cent in August 1975, but improved steadily in the ensuing years, while

the government struggled to keep wages down to defined limits.

But the government's pay policy, aimed at persuading unions to keep wage rises within a rough limit of five per cent, is in serious trouble.

Chancellor of the Exchequer Denis Healey said Thursday night that trade unions were "moving towards the precipice" by pushing pay claims well over five per cent.



NO: President Carter's budget director James McIntyre, who Thursday rejected the idea of a constitutional amendment requiring a balanced federal budget. He argued that by the time the amendment was law, the United States would have a balanced budget anyway.

Called unnecessary

U.S. budget amendment spurned

WASHINGTON, Jan. 12 (AP) — President Carter's budget director says that by the time a constitutional amendment requiring a balanced federal budget could be put into effect, "we expect to have the budget balanced" without it.

James McIntyre, director of

the Office of Management and Budget, issued the first administration response Thursday to the budget suggestion made by California Gov. Edmund Brown.

Brown made the proposal Monday during his second inaugural address. It was seen as

a challenge to Carter to heed the lesson of the tax revolt as well as an effort to project himself onto the national political scene.

Uglier Thursday, White House officials had refused to comment on the suggestion by Brown, a potential Carter rival in 1980.

Brown said that a constitutional convention could be called to propose such an amendment. Such action would be unprecedented.

McIntyre said "there's no magic solution. I'm afraid such calls for a constitutional convention in the future might simply divert attention from the tough fights that are coming up in the Congress."

Carter spent much of December preparing the federal budget he will submit to Congress Jan. 22. He has said the deficit will be less than \$30 billion.

Kuwaiti involvement

Malaysian timber venture set up

KOTA KINABALU, Malaysia, Jan. 12 (AP) — A major logging and timber processing project with investments exceeding \$45 million involving Kuwaiti and Malaysian interests will be set up in Sabah soon.

The project, which will involve the biggest Kuwaiti investment in Malaysia, is a joint-venture between Sarawak Villacore Wee Boon Ping, Inc. and the Kuwait Timber Trading and Manufacturing Company.

Inchcape Chairman D.R. Davies, in announcing the deal at a press conference here Fri-

day, said the joint-venture company, S.K. Timber Corp., would establish an integrated timber complex at its 300,000-acre concession area in Sepilok in the state's Interior Reserve.

A delegation from Kuwait was expected here next month to finalize details of the joint-venture, which marked the first big Kuwaiti investment in Sabah.

Davies said the project would include major milling and timber processing activities in line with the state government's policy on the timber industry.

Emergency oil allocation rules proposed in U.S.

WASHINGTON, Jan. 12 (AP) — The Department of Energy has proposed new standards by regulations for allocating crude oil among refineries during a serious shortage.

The regulations would not apply directly to gasoline or other consumer petroleum products. They are designed to distribute available crude oil and costs more fairly among refineries whose usual sources of supply may be af-

fected unequally by some future disruption.

The crude oil allocation plan is one of several measures being prepared on a standby basis to cope with disruptions of oil supply.

They include the current stockpiling of oil in underground caverns, known as the strategic petroleum reserve, and standby authority for mandatory fuel-saving steps.

FOREIGN EXCHANGE RATES

Opening Thursday	SAMA rate	Cash	Transfer
U.S. Dollar	3.32	3.33	3.33
Pound Sterling	6.65	6.76	6.78
Deutsche Mark	1.80 (100)	181.00	181.50
Swiss F	2.00 (100)	204.00	204.00
French F	0.78 (100)	79.25	79.25
Italian Lira (1000)	—	4.10	4.05
Lebanese Lira (100)	—	110.25	110.00
Syrian Lira (100)	—	81.00	85.25
Egyptian Pound	—	4.55	4.75
Kuwaiti Dinar	—	—	12.15
Jordanian Dinar	—	11.35	11.30
Emirate Dirham (100)	—	86.25	—
Qatari Riyal (100)	—	86.25	—
Bahraini Dinar	—	8.62	—
Iranian Riyal (100)	—	41.25	—
Iraqi Dinar	—	9.50	—
Yemeni Riyal (100)	—	73.75	72.80
South Yemeni Dinar	—	—	—
Moroccan Dirham (100)	—	79.00	86.25
Indian Rupee (100)	—	36.50	40.90
Pakistani Rupee (100)	—	32.50	33.60
Gold kg	—	24,000	—
10 Tolas bar	—	2,810	—
Silver kg bar	—	665	—
Japanese yen (100)	1.69	—	—
Canadian dollar	2.79	—	—
Belgian franc (10)	1.14	—	—
Dutch guilder	1.66	—	—
Italian Lira (100)	0.40	—	—

Cash and transfer rates supplied by Al-Rafih Company for currency Exchange and Commerce, Gabel St., Jeddah.

SAMA rates announced by the Saudi Arabia Monetary Agency, based on average rates on the London Money market and the official price of the U.S. dollar.

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Syed Waqar Hussain Naqvi s/o Syed Shabbir Hussain Naqvi, Pakistani National, while on our sponsorship proceeded to Pakistan on 11.12.1977 for availing leave and in spite of repeated telegrams and letters he did not report back. We now understand that he has returned to the Kingdom and not reported to us for duty. Any Firm/Company employing him will be contravening the rules in force in the Kingdom.

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Lorraine steel workers strike

METZ, France, Jan. 12 (AP) — Thousands of workers in the French steel district of Lorraine responded to a union strike call Friday, walking off their jobs, blocking trains and sealing off one steel industry town.

The 24-hour strike was called by France's five major labor unions to protest government moves to streamline the industry by dismissing some 1,600 workers. Dismissals have been going on gradually in recent months.

Demonstrators blocked the Paris-Luxembourg train for two hours when it reached Metz. The Paris-Strasbourg line was blocked for an hour. Protesters daubed the coaches with slogans before letting them leave.

Picket lines sealed access to the town of Hayange, headquarters of Sacilor-Lorraine, a major steel company, for four hours.

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Saudi Arabian Government Tenders

Authority	Description	No. of Tender	Price SR	Closing Date
Municipality of Dubaa	Illumination of entry point and streets of Shamasiah village	87-98/99	xx	Feb. 3
" " "	Construction of three lavatories in a village under Dubaa municipality	88/98/99	xx	Feb. 4
Directorate of Education, Hail	Building of schools	4-98/99	150	Feb. 5
Municipality of Jeddah	Numbering and naming of Jeddah roads	2	4000	Feb. 6
Department of Water and Sewage, Eastern Province	Maintenance tools and equipment	8-98/99	100	Feb. 10
Ministry of Municipal and Rural Affairs	Fencing of graveyards in a rural complex in Beq'aa. Hail.	26-96/97	400	Feb. 26
" " "	Construction of a vegetables and meat market of 20 shops in Shamasiah's rural complex	96/0/11	300	Feb. 27
" " "	Fencing of a graveyard in Qassim	26-96/97	100	Mar. 3
" " "	Fencing of 10 graveyards in Tanuma, Southern Province	"	400	Mar. 4

PORTS AUTHORITY

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DAMMAM

SHIP MOVEMENTS UP TO THE MORNING OF

CHANGES PAST 24 HRS.

DATE: 13.2.1399/11.1.1979
TIME: 0700 HRS.

1-Vessels Working Berth No.	Name of the Ship	Agent	Type of cargo	Arrival Date
1	ASIA SAMHO	GULF	STEEL GENERAL	9.1.1979
2	TERKIER	BARBER	GEN CONTS	9.1.1979
3	GUACHIND LAURO	GOSABI	GENERAL	9.1.1979
4	MARO	BARBER	GENERAL STEEL	9.1.1979
5	IBN RUSHD	KANOO	GENERAL CEMENT	10.1.1979
6	CAPTAIN LEMOS	ALSAADA	GENERAL	9.1.1979
7	SITHONIA	SOEASIA	TIMBER GENERAL	9.1.1979
8	BRAYO ARIS	SALIE	GENERAL	10.1.1979
9	NEW BORG	KANOO	GEN STEEL PIPES	6.1.1979
10	MEGALOHARI-II	ALSAADA	STEEL GEN	7.1.1979
11	LEDA MAERSK	KANOO	GENERAL	10.1.1979
12	WORLD CREST (D.B.)	ALIREZA	BULK CEMENT	5.1.1979
13	KAYU GROSSON	USP	SUGAR IN BAGS	7.1.1979
14	DORA BALIFA	GOSABI	CARS	8.1.1979

Vessels Working at Anchorage

PRIMAVERA S.M.C. BULK CEMENT 8.1.1979

2-Recent Arrivals

Vessel	Agent	Type of cargo	Arrival Date
TOPUSKO	KANOO	GENERAL	10.1.1979
LEDA MAERSK	KANOO	GENERAL	10.1.1979
BARGE INTRERMA-204	KANOO	TO LOAD, LIFT	9.1.1979
PANAMA	REZAYAT	CONTAINERS	10.1.1979
BRAYO ARES	SAITE	GENERAL	10.1.1979

3-Vessels Expected With in 48 Hours

Vessel	Agent	Type of cargo	Arrival Date
AEGIS LOUK	ALSAADA	GENERAL	11.1.1979
JERRY EVERETT	UKRI	GENERAL	11.1.1979
FOSS HURE	IACC	GENERAL	11.1.1979
ATHANASSIOS	GOSABI	GENERAL	11.1.1979
UNITED LORRENS	SOEASIA	GENERAL	11.1.1979
AL ODAILAH	KANOO	GENERAL	11.1.1979
LUCILLE	GULF	GENERAL	11.1.1979
PAITERAS	KANOO	GENERAL	11.1.1979
AKYA RAD	A.E.I.	GENERAL	11.1.1979
STAR ABADAN	SAITE	GENERAL	11.1.1979
VAN DYCK	GOSABI	GENERAL	11.1.1979
VAN COLVIER	BARBER	GENERAL	11.1.1979
FOREST	GOSABI	GENERAL	11.1.1979
PACIFIC PRIDE	GOSABI	GENERAL	11.1.1979

4-Tonnages Discharged:(Freight Tons): 55,574

5-Waiting Time: NIL

Note: Importers Having goods on the above mentioned ships should complete their formalities as soon as possible. For any inquiries please contact the Shipping Agents.

PORTS AUTHORITY
JEDDAH ISLAMIC PORTSHIP MOVEMENTS UP TO THE MORNING OF
11TH JANUARY 1979

1-VESSELS DISCHARGING	BERTH VESSEL	AGENT	CARGO	ARR. DATE
1A	—	—	—	—
1	MINERVA II (BARGES) EX ATLANTIC FOREST	ALWANI KANOO	CANNED GOODS RICE-FLOUR GENERAL	9.1.1979
2	—	—	—	—
3	—	—	—	—
4	BLUE OCEAN	BAABOUD	DURRA PICK-UPS	9.1.1979
5	—	—	—	—
6	HELLENIC FAITH ASSOMATOS	ALPHA S.E.A.	GEN. CONTS MAIZE, RICE GENERAL	9.1.1979
7	—	—	—	—
8	ZINNIA PANAGIA SPILLIANI (BARGES) EX ATLANTIC FOREST	ALSAADA ALWANI	BAGGED CEMENT BAGGED CEMENT	30.12.1978
9	—	—	—	—
10	—	—	—	—
11	—	—	—	—
12	—	—	—	—
13	EAGLE GLORY	ALSAADA BAROON	BAGGED RICE BAGGED CEMENT	8.1.1979
14	MARE TRANQUILLO	—	—	5.1.1979
15	—	—	—	—
16	—	—	—	—
17	IONIAN CARRIER	RULACO	BULK CEMENT	5.1.1979
18	ROBERT L.D. OCEAN FREEZER	AL SABAH O.C.E.	BULK CEMENT CHICKEN VEGETABLES	8.1.1979
19	—	—	—	—
20	HAMLET ARABIA	N.S.L.	GEN. CONTAINERS	9.1.1979
21	TOKYO REEFER	STAR NAV	BANANAS	5.1.1979
22	FILIPINAS SAUDI I	S.A.M.A.	ACCOMMODATION SHIP	—
23	—	—	—	—
24	—	—	—	—
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44	—	—	—	—

RO RO

2-Recent Arrivals

Vessel	Agent	Type of cargo	Arrival Date
FICHTELBERG	A.E.T.	RO RO GENERAL	10.1.1979
STERNFELS	ALIREZA	RO RO	11.1.1979
MERCADIAN CAIX	ORBI	CARS-CASES-PARTS	11.1.1979
TURANDOT	KANOO	VEHICLES	10.1.1979

3-Vessels Expected With in 24 Hours

Vessel	Agent	Type of cargo	Arrival Date
PORT NICHOLSON	A.E.T.	APPLES GENERAL PAPER	11.1.1979
FU CHIAO	U.C.E.	FRUITS	11.1.1979
VIVIAN	ALIREZA	GEN. CONTS.	11.1.1979
AXIS I	ALWANI	TIMBER/TILES	11.1.1979
PORT NELSON	REZAYAT	HOUSING UNITS	11.1.1979
—	—	—	—
SKOTLAND	BARBER	ASBESTOS	11.1.1979
IBN HAYYAN	KANOO	CONTAINERS	11.1.1979
ANDRIAN	A.E.T.	CONTAINERS	11.1.1979
GONACHAROV	—	CONTAINERS	11.1.1979
MERZARIO GRECIA	A.E.T.	CONTR. GEN STEEL	11.1.1979
CHARLES SCHIAFFINO	S.S.A.	RO RO	11.1.1979

4-Tonnages Discharged: (Freight Tons): 50,980

5-WAITING TIME: NIL

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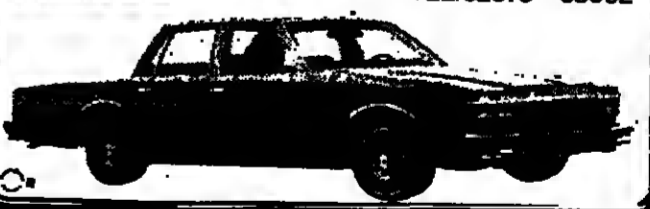
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PAGE 16

Late News

'Granddad's army'

Older whites to bedrafted in Rhodesia

SALISBURY, Jan. 12 (AP) — Rhodesia Friday announced plans to draft all white men aged 50-59 for home guard duties in a new effort to check the escalating guerrilla war.
The "SOS forces", as some Rhodesians are already calling the planned unit, will free younger combat-fit men from patrol duty in urban areas to the countryside where the real war is being fought.
The new draftees, many of whom are grandfathers, are to be called up in the face of an increased threat of urban terrorism, a government statement said.
Some cynics are referring to the home guard as "Granddad's Army." The group of national servicemen aged 39 and 49 is already called "Dad's Army."

All white, colored (mixed race) and Asian men between the ages of 18 and 39 must serve up to six months each year with the security forces, fighting two groups of black guerrillas seeking to seize control of the country.

This week, a few hundred young black men were called up for the first time amid protests from students who claimed they should not fight for Rhodesia until there is black rule.
A constitutional agreement reached by Prime Minister Ian Smith and three black colleagues last March promises black majority rule by April this year. But it excluded the guerrillas, who have promised they will step up the war.
Friday's government statement, released after an upsurge in urban terrorism, said the elderly draftees would be deployed mainly on occasional guard duties in cities and towns for up to 42 days a year.
The first to be drafted will include those men who have just reached 50 and have previously served in the security forces, the statement said.
The full implications, both economic and otherwise, have been examined for undertaking the registration of all men under 60 years with no previous security force commitment, the statement said.
Meanwhile, the government appealed to white Rhodesian men over 59 without military background to volunteer as police reservists.
The statement spoke of a need for extra vigilance in the next few months, during which guerrillas have threatened to wreck the planned elections.
An official quoted in the statement noted that many men and women over 50 served as volunteers, many stationed at roadblocks and others in police patrols of suburbs.
In the last few months, guerrillas have brought the war to urban areas, launching attacks in principal cities and towns.
The official hailed the example of white farmers who had volunteered as police reservists or soldiers in the rural areas, urged townsmen to do likewise "without the government having to resort to further conscription."

While Teng said he hopes to see reunification in a year, nobody expects a Chinese invasion of Taiwan in 1979 or 1980 if the Nationalists still refuse to talk.
Taiwan has given little media coverage to Peking's conciliatory campaign.
The opening salvo in the reunification campaign came Dec. 22 — a week after the surprise U.S.-China normalization announcement — in the final communiqué of the third plenary session of the 11th Central Committee of the Chinese Communist Party.

Mainland nurturing campaign for reunification with Taiwan

HONG KONG, Jan. 12 (AP) — At forums, festivals and tea parties throughout China, local government organizations are promoting the speedy reunification of Taiwan with the mainland.
The propaganda campaign being waged from the central Hupeh Province to the southwestern Yunnan has a simple message: the establishment of diplomatic relations between China and the United States has produced "the opportune moment" for reunification.
In the last three weeks, dozens of former officials of Chiang Kai-shek's Nationalist government on Taiwan have appealed to his son, President Chiang Ching-kuo, "to discard past grudges and return to the motherland."

tion and trade relations as a "communist trap." Prime Minister Y.S. Sun Thursday urged Peking instead to "face reality by rejecting Marxism-Leninism, abolishing Communist dictatorship and protecting human rights."
But China's conciliatory tone and its startling offer of autonomy have put Taiwan on the defensive.
Some Westerners here see Peking's campaign as a concerted effort to assure the Americans of China's reasonable intentions and to put maximum pressure on Taiwan to negotiate.

The campaign to drum up support for reunification among China's 800 million people comes as Peking is redefining — with some startling surprises — its intentions toward Taiwan's 17 million residents.
China's Senior Deputy Vice-Premier Teng Hsiao-ping has astonished China-watchers in the past week by saying that he hopes for reunification this year, and that Taiwan can retain its capitalist economic system, government and armed forces as an autonomous region of a unified China.
The Nationalists have dismissed all offers from Peking to establish postal, transportation and trade relations as a "communist trap."

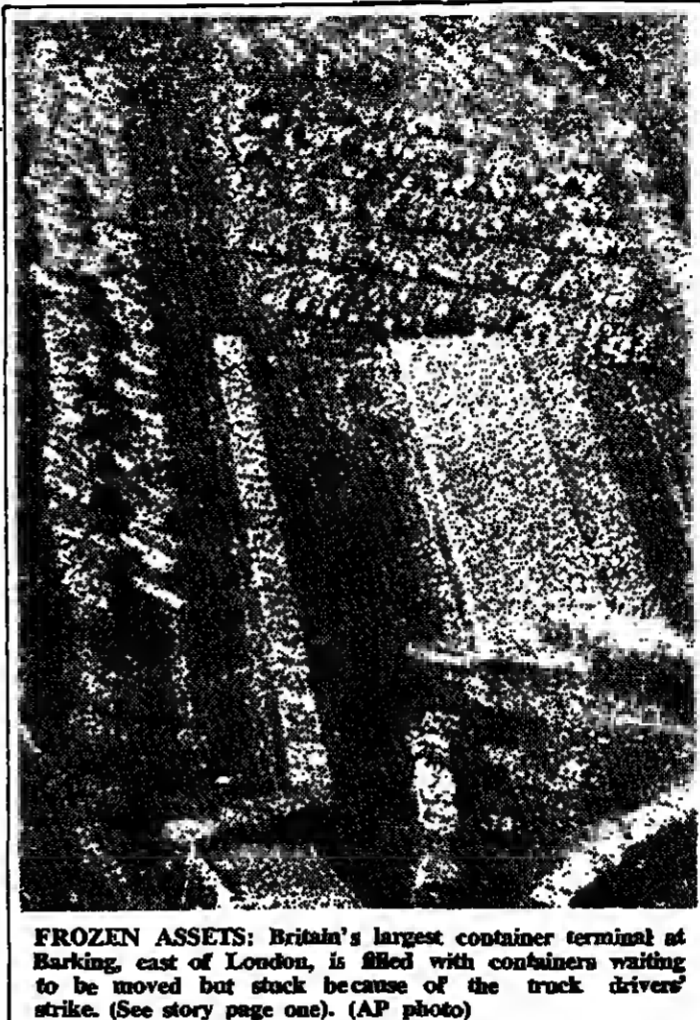
Honoring 1975 commitment

U.S. prepares oil lifeline to Israel

WASHINGTON, Jan. 12 (AP) — Officials are preparing plans to help Israel replace oil cut off by Iran, which previously supplied nearly two-thirds of Israel's petroleum needs.
Knowledgeable sources, asking that they not be identified, said Friday that Israel has not yet requested emergency help promised by the United States in a 1975 agreement in which Israel agreed to partial withdrawal from the Sinai.

But one source said Israel is "having a terrible time getting oil" on the world market because potential suppliers are afraid of retaliation by Arab states.
Another government source said of Israel's oil problems: "our emergency planning is quite advanced."
Energy Secretary James Schlesinger said last week that the United States would honor the 1975 commitment to help the Jewish state find new oil suppliers in an emergency or, if necessary, to ship oil directly from the United States.
Iran's oil production has been halted by strikes connected with the political turmoil that brought to power a new government headed by Shahpour Bakhtiar.
American sources said Israel has been able so far to withstand this loss of Iranian oil by tapping its own substantial oil stockpile and seeking other suppliers.
But Bakhtiar told his parliament Thursday that Iran would no longer sell oil to Israel or to South Africa because of solidarity with the Muslim world and objections to South Africa's racial policies.

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FROZEN ASSETS: Britain's largest container terminal at Barking, east of London, is filled with containers waiting to be moved but stuck because of the truck drivers' strike. (See story page one). (AP photo)

Lebanese economic state reported relatively sound

BEIRUT, Jan. 12 (AP) — Despite continued crisis, the Lebanese economy remained "relatively sound" in 1978 with a surplus balance of payments of some \$200 million, Michael Al-Khoury, the governor of the Bank of Lebanon, reported Friday.
"In addition, our exports for that gloomy year reached about two billion Lebanese pounds (\$666 million)" he said.
Khouri attributed the relative health of the economy to the traditional "resilience" of the Lebanese entrepreneur. He also noted that many Lebanese who have left this country for work abroad are sending much of their earnings home, thus helping the domestic economy.
The Lebanese pound backed heavily by gold reserves, has also remained comparatively stable in spite of the political and economic crisis of the past four years.
When asked how large a role gold reserves played in supporting the currency, Khouri said, "more than 100 per cent is covered by gold." The Central Bank values its gold reserves at a highly conservative \$42.20 per ounce, he added.

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Switzerland to take 11 from Vietnamese stranded off Manila

MANILA, Jan. 12 (AP) — Switzerland has agreed to resettle 11 of more than 2,300 Vietnamese "boat people" stranded on the 'Jung Air' in Manila Bay, and the West German Embassy Friday began processing 150 other Vietnamese waiting at a crowded refugee camp here to find new homes abroad, a United Nations official said.
Documentation for the 11 going to Switzerland, where they already have relatives, has been completed, "and we are only waiting for confirmation of the airline bookings," said Werner Blatter, local representative of the U.N. High Commission for Refugees.
The departure of the 11 will bring to 27 the number of refugees taken off the Hong Kong-based cargo ship for resettlement abroad. Ten refugees flew to France Tuesday, and six more left for New Zealand on Wednesday. Fifty other Tung An refugees have been processed and are expected to leave for France early next week, Blatter said.
In Stockholm Friday, the government decided in an extra session to accept 29 Vietnamese refugees.
The Tung An, a 68-meter freighter registered in Panama, sailed into Manila Bay Dec. 27, four days after being turned away from the British protectorate of Brunei, with its cargo of 2,318 Vietnamese refugees and rotting cattle feed.
Since then the vessel has been anchored more than a kilometer offshore. The Philippine government refuses the refugees permission to land, saying its main refugee camp is already overcrowded by some 2,000 other Vietnamese who arrived in the Philippines aboard fragile fishing boats.
Meanwhile, although the United States has not given any indication it would grant asylum to some of the refugees, Blatter said the American Embassy has already begun verifying claims by 60 refugees that they have ties to the United States.

"That's the first step" Blatter said. "I gave them a list of at least 650 refugees who told me they have links to the United States and they are checking to see if the claims are true."
Sadat demanded Sebai assassins, newspaper says
NICOSIA, Jan. 12 (UPI) — A Greek Cypriot newspaper claimed Friday that President Sadat had sent an "ultimatum" to the Cyprus government demanding the "immediate extradition" to Egypt of the alleged assassins of the late President Youssef Sebai, editor of the influential Cairo newspaper "Al-Akram."
"Ta Na", mouthpiece of the pro-Palestinian socialist party Edeko, claimed that Sadat threatened that he would otherwise recognize the self-proclaimed Turkish Cypriot state in the Turkish-occupied north of Cyprus, and open an Egyptian Embassy there.
He would also invite Turkish Cypriot leader Rauf Denktash to pay an official visit to Egypt as president of the Turkish Cypriot state, the paper alleged.

After U.S. moves

Dollar breathes easier

LONDON, Jan. 12 (AP) — European and Japanese money markets expressed more approval Friday of the latest American move to bolster the dollar by again pushing up its value. European gold prices fell back.
All dealers said Thursday's United States Treasury announcement that it would sell \$1.2 billion in securities to Swiss citizens had boosted the dollar. The proceeds of the sale — in Swiss francs — will be used to buy dollars when necessary on the world's foreign exchanges.
In London, where the pound was hit by a strike by truck drivers and other industrial troubles, it cost \$1.9935 to buy a pound against \$2 late Thursday.
In Tokyo the dollar hit a five-week high against the yen. It closed at 197.925 yen against 196.6 at the close Thursday.

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From page one

Khomeini

ually contained a member of the royal family, none is expected to figure this time.
Meanwhile anti-Shah demonstrators set fire to another Savak secret police building in the southern city of Shiraz, Friday, witnesses said.
They said there was no one to stop the demonstrators since all troops and police had left the city, where a number of people were killed and injured Thursday and buildings burnt down.
"The people removed all the files and all the horrible instruments of torture from the Savak building to a mosque," one witness said Friday.
Residents wearing white armbands were reported directing traffic in the absence of police.
The latest violence in Shiraz came only two days after Bakhtiar lifted martial law there.
The witnesses and hospital

sources in Shiraz said eight people, including four Savak officials, were killed and 30 injured in Thursday's violence.
The official radio gave Thursday's casualty toll as six dead and 12 injured.
There was no official confirmation of the latest reported violence.
Demonstrators knocked down several statues of the Shah in Shiraz Thursday.
As violence flared up in Shiraz the martial law administration in the holy city of Qom, south of Tehran Friday reduced an overnight curfew by two hours.
The official radio broadcast a call by authorities of Tehran university for all staff to return to the campus Saturday to prepare for a resumption of studies.
The governing bodies of other Iran universities also decided to reopen, and the government welcomed their decision.

It called on students to respect law and order and said military authorities had been instructed not to interfere in any way with the return to the campuses.
The government statement, broadcast by the official radio, stressed that Bakhtiar's policy was to respect the freedom and independence of the universities.
Troops still encircled the Tehran campus Friday, with a machinegun post facing outwards from the main gate.
Iran universities have been closed since a military-led government took over last November in the wake of fiery street riots in the capital. Many, including Tehran University, have been heavily guarded by troops ever since.
University professors said Friday they would try to enter the campus Saturday but had no idea whether the troops would try to stop them.

French private was wounded when Palestinian leftist gunmen hijacked his jeep south of Tyre Thursday.
The Palestinian liaison office in southern Lebanon later returned the two jeeps, the reports said.
U.S. Promise
In Beirut, meanwhile, U.S. ambassador John Gunther Dean Friday promised \$42.5 million in American military aid to assist President Elias Sarkis in rebuilding the Lebanese army.
In addition to military aid, Dean said the opening of Beirut port last month will allow the U.S. to increase its humanitarian assistance to refugees of Lebanon's civil strife.
"I can guarantee that additional assistance is forthcoming shortly," Dean said at a U.S. embassy lunch for the Beirut business community.
The military aid, Dean said, will equip the army to play a more vital security role.

Dutch

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